3. Text of the Proposed Rule Change

   (a)   Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934, as amended (the "Act" or "34 Act")[1] and Rule 19b-4 thereunder,[2] NYSE Arca, Inc. ("NYSE Arca" or "Exchange"), proposes to list and trade shares of the FT SkyBridge Bitcoin Plus ETF (the "Trust") under NYSE Arca Rule 8.500-E (Trust Units).

   A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1.

   (b)   The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.

   (c)   Not applicable.

4. Procedures of the Self-Regulatory Organization

   The proposed rule change is being submitted to the Securities and Exchange Commission ("Commission") by Exchange staff pursuant to authority delegated to it by the NYSE Arca Board of Directors.

   The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

   Samir M. Patel
   Senior Counsel
   NYSE Group, Inc.
   (212) 656-2030

5. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

   (a)   Purpose

   The Exchange proposes to list and trade shares of the Trust[3] (the "Shares") under NYSE Arca Rule 8.500-E. NYSE Arca Rule 8.500-E provides for the listing and trading of Trust Units, which are securities issued by a trust, limited liability company, or other similar entity that holds investments comprising or otherwise based on any combination

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[1]   15 U.S.C. 78s(b)(1).

[2]   17 CFR 240.19b-4.

[3]   On January 13, 2026, the Trust confidentially filed a draft registration statement on Form S-1 under the Securities Act of 1933 (the "Registration Statement"). The description of the Trust and Shares contained herein is based, in part, on the Registration Statement. The Registration Statement is not yet effective, and the Shares will not trade on the Exchange until such time that the Registration Statement is effective.

of futures contracts, options on futures contracts, forward contracts, swap contracts, commodities and/or securities.[4] The Exchange may list and trade Trust Units based on an underlying asset, commodity, security and/or portfolio, which may be represented by an index or portfolio of any of the foregoing.[5]

According to the Registration Statement, the Trust will not be registered as an investment company under the Investment Company Act of 1940,[6] and is not required to register thereunder. The Trust is not a commodity pool for purposes of the Commodity Exchange Act.[7]

The Exchange represents that the Shares satisfy the requirements of NYSE Arca Rule 8.500-E and thereby qualify for listing on the Exchange.[8]

Operation of the Trust[9]

The Trust will issue the Shares which, according to the Registration Statement, represent units of undivided beneficial ownership of the Trust. The Trust is a Cayman Islands limited liability company formed and registered pursuant to the Limited Liability Companies Act (As Revised) of the Cayman Islands (the "LLC Act") and will operate pursuant to an Amended and Restated Limited Liability Company Agreement (the "Fund Agreement"). The Trust is sponsored by First Trust Advisors L.P. (the "Sponsor") and sub-advised by SkyBridge Capital II, LLC (the "Sub-Adviser"). One or more digital asset Custodians will hold the Portfolio Crypto Assets (as defined herein) on behalf of the Trust, except under limited circumstances when Portfolio Crypto Assets are temporarily transferred as described herein (the "Custodian"). The Bank of New York Mellon will be the custodian for the Trust's cash holdings (in such role, the "Cash Custodian"),[10] as well as the Trust's administrator (in such role, the "Administrator") and transfer agent (in such role, the "Transfer Agent").[11]

According to the Registration Statement, the investment objective of the Trust is for the

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[4]   See NYSE Arca Rule 8.500-E(b)(2).

[5]   See NYSE Arca Rule 8.500-E(c).

[6]   15 U.S.C. 80a-1.

[7]   17 U.S.C. 1.

[8]   With respect to the application of Rule 10A-3 (17 CFR 240.10A-3) under the Act, the Trust relies on the exemption contained in Rule 10A-3(c)(7).

[9]   The description of the operation of the Trust, the Shares, and digital asset markets contained herein is based, in part, on the Registration Statement. See note 3, supra.

[10]   The Trust relies on the Cash Custodian to hold any cash related to the creation and redemption of Shares, purchase, or sale of Portfolio Crypto Assets or held for payment of expenses not assumed by the Sponsor.

[11]   The Transfer Agent will facilitate the settlement of Shares in response to the placement of creation orders and redemption orders from Authorized Participants (as defined herein). The Trust generally does not intend to hold cash or cash equivalents. However, there may be situations where the Trust will hold cash on a temporary basis, including in connection with the creation and redemption process.

value of the Shares to reflect the value of the digital assets ("Crypto Assets") held by the Trust (the "Portfolio Crypto Assets"), plus any cash held by the Trust and reduced by the Trust's expenses and other liabilities. In seeking to achieve the Trust's investment objective, the Sub-Adviser, under the supervision of the Sponsor, will employ an actively managed, research-driven process to select and weight Portfolio Crypto Assets, with the portfolio anchored by a core allocation to bitcoin and complemented by targeted exposures to other leading Crypto Assets. According to the Registration Statement, this process is designed to capture bitcoin's long-term primacy in Crypto Assets while identifying forward-looking opportunities beyond bitcoin that the Sub-Adviser believes are poised to become the next generation of leaders. To reflect the Sub-Adviser's belief that bitcoin will be the primary driver of long-term, risk-adjusted returns, the Trust's portfolio will generally maintain an overweight to bitcoin relative to passive, market-cap-weighted peers. The Sub-Adviser may modulate the bitcoin weight and resize non-bitcoin positions over shorter intervals to capitalize on cyclical rotations and catalyst-driven windows of outperformance among leading tokens, while preserving the Trust's bitcoin emphasis.

The Trust will hold not less than 50% and not more than 85% of its net assets in bitcoin at the time of purchase. At least 85% of the net assets will be invested in Crypto Assets that are the primary investment underlying exchange-traded products previously approved by the Commission to list and trade on a national securities exchange (the "Approved Components"), with the remainder not to exceed 15% invested in assets outside those standards. These thresholds and operational requirements shape the universe from which the Sub-Adviser selects. Within this universe, according to the Registration Statement, the Sub-Adviser will evaluate prospective non-bitcoin allocations using a multi-factor framework. First, the Sub-Adviser will assess market structure and capital flows to understand where institutional and retail participation is deepening or accelerating, and to identify liquidity conditions conducive to position establishment and exit. Second, the Sub-Adviser will analyze fundamental adoption trends, including on-chain indicators, active address growth, and the health and trajectory of developer ecosystems, as primary signals of real-world traction and network vitality. Third, the Sub-Adviser will incorporate a disciplined mean-reversion lens to identify statistical dislocations following periods of pronounced under- or outperformance, using such episodes to calibrate entry points and relative sizing. Fourth, the Sub-Adviser will weigh catalysts—such as regulatory breakthroughs, enterprise integrations, and major protocol upgrades—that may drive non-linear changes in adoption, utility, or capital inflows. This forward-looking assessment will allow the Sub-Adviser to differentiate assets with durable momentum and improving fundamentals from those supported primarily by legacy market capitalization. This framework will aim to produce a portfolio that captures bitcoin's core return drivers and selectively amplifies performance through targeted, research-led allocations to other Crypto Assets.

According to the Registration Statement, the Trust, the Sponsor and the Trust's service providers will not loan or pledge the Trust's assets, nor will the Trust's assets serve as collateral for any loan or similar arrangement. The Trust will also not utilize leverage, derivatives or any similar arrangements in seeking to meet its investment objective.

Overview of the Crypto Asset Industry

According to the Registration Statement, digital or crypto assets are bearer assets whose ownership is secured by cryptographic protocols and incentives that operate on a network of computers utilizing Blockchains (as defined below). Crypto assets are intended to allow for storage and transfer without the need of a trusted intermediary and therefore they have the potential to challenge and disrupt many areas of the financial market, including traditional systems of value storage, value transfer, governance, and other important applications. Well-known Blockchains that have their own native Crypto Assets include bitcoin and Ethereum.

Crypto Assets are traded on trading venues around the world, as well as in over-the-counter and peer-to-peer markets. Crypto Assets can be converted to fiat currencies or into other Crypto Assets at rates determined by supply and demand on these markets. Derivative investment products, including futures, options, and swaps contracts, are also available on certain crypto assets that allow investors to build sophisticated investment and trading strategies focused around the most prominent Crypto Assets.

The number and diversity of market participants and companies operating in the Crypto Asset space has also increased dramatically over the past several years. There is currently a wide range of companies that provide services related to Crypto Assets to retail and institutional investors. These include companies that provide trading venues, custody solutions for institutional and retail investors, investment funds, payment services, trading services, lending and collateral management, and prime brokerage.

The ownership of Crypto Assets is recorded in a digital ledger or database, called a Blockchain. Blockchains differ from traditional databases in that they are designed not to be controlled by any single party, but rather, to be maintained by a distributed network of computers, each of which maintains and updates its own copy of the ledger. Each participant in this network is heavily incentivized to process transactions according to a set of predetermined rules and to keep its ledger consistent with the rest of the network over time.

The exact method with which each Blockchain network processes and records transactions can, and usually does, vary from Blockchain to Blockchain. There are myriad architectural decisions participants either implicitly or explicitly agree upon when they join a certain network, which includes the level of decentralization, privacy, throughput, and other features a network can provide. These decisions usually involve trade-offs and therefore each Blockchain network is typically optimized for specific capabilities, limitations, and target use cases.

As a nascent and fast-changing area, the Crypto Asset market carries significant risks and uncertainty. According to the Registration Statement, certain of the principal risks that the Trust faces include the following:

- Crypto Assets are subject to significant price volatility, which can impact investments in the Trust;

- the value of Crypto Assets, including bitcoin, may be subject to momentum pricing, resulting in inaccurate valuations, heightened volatility, and potential adverse impacts on the value of an investment in the Shares;

- the value of the Crypto Assets is dependent on prices established by Crypto Asset exchanges and other Crypto Asset trading venues, the instability, failure, closure, or manipulation of which could adversely affect an investment in the Trust;

- limited adoption, usage, and evolving market challenges for bitcoin and other Crypto Assets could adversely impact the Trust and the value of its Shares;

- changes in the governance of a Crypto Asset's Blockchain network may not receive sufficient support from users, validators, or miners, which may negatively affect that Blockchain network's ability to grow and respond to challenges;

- many Crypto Asset Networks and protocols, including some of the networks and protocols of Portfolio Crypto Assets, are supported by foundations and/or founding teams that may influence the development of the Crypto Asset Networks or protocols and could adversely affect the value of the Portfolio Crypto Assets;

- a temporary or permanent "fork" could adversely affect the value of the Shares and the operations of the Trust;

- competition from the emergence or growth of other Crypto Assets or the development of other methods of investing in Crypto Assets could have a negative impact on the price of Crypto Assets and adversely affect the value of the Shares;

- political or economic crises may motivate large-scale sales of Crypto Assets, which could result in a reduction in the price of Portfolio Crypto Assets and adversely affect an investment in the Shares;

- evolving regulatory landscape and increased scrutiny of Crypto Assets may adversely impact the business and reputation of the Trust and the Sponsor;

- decentralized governance and amendments to Crypto Asset networks, if accepted and authorized by the respective networks, could adversely affect an investment in the Trust;

- fluctuations in the supply of Portfolio Crypto Assets due to regulatory, technological, and deflationary factors could adversely affect the value of the Shares;

- if a malicious actor or botnet gained control over the networks of the Portfolio Crypto Assets could adversely impact the value of the Shares and the Trust's ability to operate;

- certain Portfolio Crypto Assets utilize DeFi protocols, which are typically developed on top of other public Blockchain networks and are therefore subject to the risks of the underlying public Blockchain networks.

Description of the Portfolio Crypto Assets

According to the Registration Statement, the Sponsor and the Sub-Adviser maintain discretion to alter the composition of the Trust's portfolio within the limitations of the Trust's investment strategy. Accordingly, the composition of Trust's portfolio, including which Crypto Assets are included and at what weights, is expected to change over time. At the Trust's inception, the Sponsor and the Sub-Adviser expect that the Trust may at times have significant (which the Sponsor interprets to mean 5% or more of NAV) allocations to bitcoin, ether, HYPE and Solana. A description of each such Portfolio Crypto Asset follows.

Bitcoin

Bitcoin is a Crypto Asset that is created and transmitted through the operations of the peer-to-peer Bitcoin network, a decentralized network of computers that operates on cryptographic protocols. No single entity owns or operates the Bitcoin network, the infrastructure of which is collectively maintained by a decentralized user base. The Bitcoin network allows people to exchange tokens of value, called bitcoin, which are recorded on a public transaction ledger known as a blockchain. Bitcoin can be used to pay for goods and services, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on exchanges that trade bitcoin or in individual end-user-to-end-user transactions under a barter system.

The Bitcoin network was initially contemplated in a white paper that also described Bitcoin and the operating software to govern the Bitcoin network. The white paper was purportedly authored by Satoshi Nakamoto. However, no individual with that name has been reliably identified as bitcoin's creator, and the general consensus is that the name is a pseudonym for the actual inventor or inventors. The first bitcoins were created in 2009 after Nakamoto released the Bitcoin network source code (the software and protocol that created and launched the Bitcoin network). The Bitcoin network has been under active development since that time by a group of engineers known as core developers. The core developers are able to access, and can alter, the Bitcoin network source code and, as a result, they are responsible for quasi-official releases of updates and other changes to the Bitcoin network's source code. The release of updates to the Bitcoin network's source code does not guarantee that the updates will be automatically adopted. Users and miners must accept any changes made to the Bitcoin source code by downloading the proposed modification of the Bitcoin network's source code. A modification of the Bitcoin network's source code is effective only with respect to the Bitcoin users and miners that download it. If a modification is accepted by only a percentage of users and miners, a division in the Bitcoin network will occur such that one network will run the pre-modification source code and the other network will run the modified source code. Such a division is known as a "fork."

The supply of new bitcoin is mathematically controlled so that the amount of bitcoin grows at a limited rate pursuant to a pre-set schedule. The amount of bitcoin awarded for solving a new block is automatically halved after every 210,000 blocks are added to the Bitcoin blockchain. Currently, the fixed reward for solving a new block is 3.125 bitcoin

per block and this is expected to decrease by half to become 1.5625 bitcoin after the next 210,000 blocks have entered the Bitcoin network, which is expected to be mid-2028. This deliberately controlled rate of bitcoin creation means that the amount of bitcoin in existence will increase at a controlled rate until the amount of Bitcoin in existence reaches the pre-determined 21 million Bitcoin. As of September 30, 2025, approximately 19.9 million Bitcoins were outstanding and the date when the 21 million bitcoin limitation will be reached is estimated to be the year 2140.

Ethereum

Ethereum ("ether") is a Crypto Asset that is created and transmitted through the operations of the peer-to-peer Ethereum network, a decentralized network of computers that operates on cryptographic protocols. No single entity owns or operates the Ethereum network, the infrastructure of which is collectively maintained by a decentralized user base. The Ethereum network allows people to exchange tokens of value, called ether, which are recorded on a public transaction ledger known as a blockchain. Ether can be used to pay for goods and services, including computational power on the Ethereum network, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on exchanges or in individual end-user-to-end-user transactions under a barter system. Furthermore, the Ethereum network also allows users to write and implement smart contracts—that is, general-purpose code that executes on every computer in the network and can instruct the transmission of information and value based on a sophisticated set of logical conditions. Using smart contracts, users can create markets, store registries of debts or promises, represent the ownership of property, move funds in accordance with conditional instructions and create Crypto Assets other than ether on the Ethereum network. Smart contract operations are executed on the Ethereum blockchain in exchange for payment of ether. The Ethereum network is one of a number of projects intended to expand blockchain use beyond just a peer-to-peer money system.

The Ethereum network was originally described in a 2013 white paper by Vitalik Buterin, a programmer involved with bitcoin, with the goal of creating a global platform for decentralized applications powered by smart contracts. The formal development of the Ethereum network began through a Swiss firm called Ethereum Switzerland GmbH in conjunction with several other entities. Subsequently, the Ethereum Foundation, a Swiss non-profit organization, was set up to oversee the protocol's development. The Ethereum network went live on July 30, 2015.

<u>Smart Contracts and Development on the Ethereum Network</u>

Smart contracts are programs that run on a blockchain that can execute automatically when certain conditions are met. Smart contracts facilitate the exchange of anything representative of value, such as money, information, property, or voting rights. Using smart contracts, users can send or receive Crypto Assets, create markets, store registries of debts or promises, represent ownership of property or a company, move funds in accordance with conditional instructions and create new Crypto Assets.

Development on the Ethereum network and other smart contract platforms involves building more complex tools on top of smart contracts, such as decentralized apps (DApps); organizations that are autonomous, known as decentralized autonomous organizations (DAOs); and entirely new decentralized networks. For example, a company that distributes charitable donations on behalf of users could hold donated funds in smart contracts that are paid to charities only if the charity satisfies certain pre-defined conditions.

Moreover, the Ethereum network has also been used as a platform for creating new Crypto Assets and conducting their associated initial coin offerings. As of September 30, 2025, a majority of Crypto Assets were built on the Ethereum network, with such assets representing a significant amount of the total market value of all Crypto Assets.

The Ethereum network and other smart contract platforms are, among other uses, used for decentralized finance (DeFi) or open finance platforms, which seek to democratize access to financial services, such as borrowing, lending, custody, trading, derivatives and insurance, by removing third-party intermediaries. DeFi can allow users to lend and earn interest on their Crypto Assets, exchange one Crypto Asset for another and create derivative Crypto Assets such as stablecoins, which are Crypto Assets pegged to a reserve asset such as fiat currency. During the twelve months ended June 30, 2025, between approximately $41 billion and $76 billion worth of Crypto Assets were locked up as collateral on DeFi platforms on the Ethereum network.

HYPE

Hyperliquid is a Crypto Asset that is created and transmitted through the operations of the peer-to-peer Hyperliquid network, a decentralized network of computers that operates on cryptographic protocols. The Hyperliquid Network allows participants to exchange tokens of value called Hyperliquid or HYPE. As of December 12, 2025, Hyperliquid was believed to be the 12th largest digital asset by market cap.

Transactions of Hyperliquid are processed by a distributed network of computers called validators, and recorded on the Hyperliquid Blockchain, a secure digital ledger where all Hyperliquid transactions are recorded. These validators are rewarded with Hyperliquid for their efforts. No single entity owns or operates the Hyperliquid Network or manages the Hyperliquid Blockchain. Instead, the infrastructure is collectively maintained by a decentralized community of users.

Hyperliquid can be used to pay for goods and services, including to send transactions on the Hyperliquid network, or it can be converted to fiat currencies, such as the U.S. dollar. The primary goal of the Hyperliquid Network, however, is to support high-performance cryptocurrency trading via an on-chain central limit order book. This activity occurs on a component of the Hyperliquid network known as HyperCore. An additional component known as HyperEVM provides a scalable, and efficient decentralized platform that supports decentralized applications and smart contracts, which are self-executing computer programs stored on a blockchain that automatically carry out the terms of an

agreement between parties once predetermined conditions are met. These smart contracts can utilize trading infrastructure of HyperCore.

Unlike centralized systems, no single entity controls the Hyperliquid Network. Unlike the proof-of-work mechanism used by bitcoin, which relies on miners solving computational puzzles, proof-of-stake allows validators to secure the network based on the number of Hyperliquid they hold and stake. Holders of Hyperliquid must stake the required minimum amount to become a Hyperliquid validator. Currently, the minimum stake amount is 10,000 Hyperliquid.

Hyperliquid was initially conceptualized and developed by a team of quantitative trading experts to provide a high-performance platform for cryptocurrency trading.

Solana

SOL is a Crypto Asset that is created and transmitted through the operations of the peer-to-peer Solana network, a decentralized network of computers that operates on cryptographic protocols. No single entity owns or operates the Solana network, the infrastructure of which is collectively maintained by a decentralized user base. The Solana network allows people to exchange tokens of value, called SOL, which are recorded on a public transaction ledger. SOL can be used to pay for goods and services, including to send a transaction on the Solana network, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on exchanges or in individual end-user-to-end-user transactions under a barter system. The Solana network was designed to allow users to write and implement smart contracts—that is, general-purpose code that executes on every computer in the network and can instruct the transmission of information and value based on a sophisticated set of logical conditions. Using smart contracts, users can create markets, store registries of debts or promises, represent the ownership of property, move funds in accordance with conditional instructions and create Crypto Assets other than SOL on the Solana network. Smart contract operations are executed on the Solana Blockchain in exchange for payment of SOL. The Solana network is one of a number of projects intended to expand blockchain use beyond just a peer-to-peer money system.

The Solana protocol introduced the Proof-of-History ("PoH") timestamping mechanism. PoH automatically orders on-chain transactions by creating a historical record that proves an event has occurred at a specific moment in time. PoH is intended to provide a transaction processing speed and capacity advantage over other blockchain networks like the Bitcoin and Ethereum networks, which rely on sequential production of blocks and can lead to delays caused by validator confirmations. PoH is a new blockchain technology that is not widely used. PoH may not function as intended. For example, it may require more specialized equipment to participate in the network and fail to attract a significant number of users. In addition, there may be flaws in the cryptography underlying PoH, including flaws that affect functionality of the Solana network or make the network vulnerable to attack.

In addition to the PoH mechanism described above, the Solana network uses a proof-of-stake consensus mechanism to incentivize SOL holders to validate transactions. Unlike proof-of-work, in which miners expend computational resources to compete to validate transactions and are rewarded coins in proportion to the amount of computational resources expended, in proof-of-stake, validators risk or "stake" coins to compete to be randomly selected to validate transactions and are rewarded coins in proportion to the amount of coins staked. Any malicious activity, such as disagreeing with the eventual consensus or otherwise violating protocol rules, may result in a validator being selected less frequently by a consensus of other validators to validate blocks. Proof-of-stake is viewed as more energy efficient and scalable than proof-of-work and is sometimes referred to as "virtual mining".

The Solana protocol was first conceived by Anatoly Yakovenko in a 2017 whitepaper. Development of the Solana network is overseen by the Solana Foundation, a Swiss non-profit organization, and Solana Labs, Inc. (the "Company"), a Delaware corporation, which administered the original network launch and token distribution. Although the Company and the Solana Foundation continue to exert significant influence over the direction of the development of the Solana project, the Solana network is believed to be decentralized and does not require governmental authorities or financial institution intermediaries to create, transmit or determine the value of SOL.

Custody of the Trust's Assets

According to the Registration Statement, the Custodian will maintain custody of the Trust's Portfolio Crypto Assets. All of the Trust's Portfolio Crypto Assets will be held by the Custodian, other than the Trust's Portfolio Crypto Assets that are temporarily transferred: (i) in connection with a purchase or sale of Portfolio Crypto Assets; (ii) to facilitate a creation or redemption transaction with an Authorized Participant; or (iii) in anticipation of paying the Trust's expenses. The Custodian will hold the Trust's Portfolio Crypto Assets in cold storage or such other storage solution as the Sponsor determines to provide adequate protection for the Trust's assets. The Portfolio Crypto Assets in the Custodial Account may be held across multiple wallets, any of which will feature the following safety and security measures to be implemented by the Custodian:

- *Cold Storage*: Cold storage in the context of Crypto Assets means keeping the reserve of Crypto Assets offline, which is a widely-used security precaution, especially when dealing with large amount of Crypto Assets. Portfolio Crypto Assets held under custodianship with the Custodian will be kept in high-security, offline, multi-layer cold storage vaults, or in such other storage solution as the Sponsor determines to provide adequate protection for the Trust's assets. This means that the private keys, the cryptographic component that allows a user to access Crypto Assets, are stored offline on hardware that has never been connected to the internet. Storing the private key offline minimizes the risk of the Crypto Assets being stolen. The Sponsor expects that all of the Trust's Portfolio Crypto Assets will be held in cold storage or such other storage solution determined by the Sponsor to provide adequate protection, other than the Trust's Portfolio Crypto Assets that are temporarily transferred: (i) in connection with a purchase or sale of Portfolio Crypto Assets; (ii) to facilitate a

creation or redemption transaction with an Authorized Participant; or (iii) in anticipation of paying the Trust's expenses. In connection with creations or redemptions, the Trust will, under most circumstances, process redemptions by selling Portfolio Crypto Assets from the portion of its Portfolio Crypto Assets held in storage with the Custodian.

- *Private Keys*: All private keys are securely stored using multiple layers of high-quality encryption and in Custodian-owned hardware vaults or such other secure storage environments as the Sponsor determines to provide adequate protection. No customers or third parties are given access to the Custodian's private keys.

- *Whitelisting*: Transactions are only sent to vetted, known addresses. The Custodian's platform supports pre-approval and test transactions. The Custodian requires authentication when adding or removing addresses for whitelisting.

- *Audit Trails*: Audit trails exist for all movement of Portfolio Crypto Assets within Custodian-controlled wallets and are audited annually for accuracy and completeness by an independent external audit firm.

In addition to the above measures, Portfolio Crypto Assets held with the Custodian are segregated from both the proprietary property of the Custodian and the assets of any other customer in accounts that clearly identify the Trust as the owner of the accounts.

Typical Stakeholders in Blockchain Networks

The following section provides an overview of the different groups of market participants in most blockchain networks and constitute much of the crypto economic system.

- Stakeholders help process transactions and ensure that the distributed ledgers that make up a blockchain network stay consistent with one another. Stakeholders are typically compensated for providing this service in large part by algorithmic grants of the Crypto Asset associated with a Blockchain network they are helping to secure, although they may be compensated with transaction fees or in other means as well. There are multiple schemes under which stakeholders can operate to provide this service and receive this payment, but the two most important are proof-of-work ("PoW") and proof-of-stake ("PoS").

  Proof of work is the first and most established scheme and involves computers solving cryptographic puzzles that require a substantial amount of energy as a way of securing the network and processing transactions. The more computing power a miner dedicates to solving this puzzle the more likely it will be the first to solve the problem and collect the rewards of newly minted Crypto Assets and transaction fees. By piling up computing power over time, transactions become increasingly hard to reverse and eventually can be considered "settled." PoW is the scheme used by bitcoin, as well as many other assets. One criticism of PoW systems is the high amount of energy they consume, which may have negative downstream environmental consequences, among other issues.

Proof of stake is a newer scheme that tries to avoid the heavy energy consumption that PoW systems typically require. PoS systems require validators to lock up and put at risk (aka, "stake") a certain amount of the Crypto Asset associated with a given Blockchain in order to process transactions. These staked assets are lost if a validator processes a transaction in a way that is fraudulent or violates the rules of the underlying Blockchain. PoS is utilized by Blockchains such as Ethereum, Avalanche, Cardano and Solana. Concerns with PoS systems include the risk of lower security assurances and the potential for centralization of the network.

- Users are the stakeholders that hold or transfer Crypto Assets, either by participating directly in the network or by delegating this work to third-party service providers. Users will typically buy and sell Crypto Assets for fiat currencies through dedicated trading venues. In recent years, a robust ecosystem of trading systems has emerged that cater to these investors.

  Once in possession of a Crypto Asset, the interaction between users and the rest of the network can fall between two ends of a spectrum:

  o On one end, users can opt to be completely sovereign over their asset holdings and transactions. Such users would typically host a local copy of the entire ledger of transactions and validate every single transaction that takes place in the network by running the protocol software on their own machines. They would also own the private keys that guarantee ownership of their Crypto Assets and embrace the responsibility of keeping them safe.
  o On the other end, users can opt to delegate their participation in the network to third-party companies that provide specialized services. Examples of such users include individuals or institutions that delegate the responsibility of keeping their private keys safe to custodians or merchants that use payment processing companies to allow clients to make payments in Crypto Assets. This group may use third-party services either due to prioritization of convenience or due to external requirements (regulations, for example).

- Developers build the protocols and software that both users and stakeholders need to run in order to participate in the network. Developers are also generally split between two categories depending on the type of software they work in:

  o Protocol developers are directly involved in building the core software that defines how a network operates. Most projects adopt the free and open-source software (FOSS) paradigm, which means that the software is freely and openly shared so that people can voluntarily contribute to its maintenance and improvement. Protocol developers can exert power over the network as they ultimately define which rules it will abide by, but as the software is open-source, users can opt to run any version of the software they see fit. This keeps the developers' power over the network in check. Protocol developers are usually highly specialized experts with deep knowledge not only of

software development but also in cryptography, computer networking or other subfields of computer science.

o   Application developers use the software built by protocol developers to build applications that will ultimately reach end-users. Such projects might or might not be open-source software. Examples of such projects would be digital wallets, which are designed to allow users to hold crypto assets without the complexity of interacting with the underlying protocol.

Calculation of NAV and NAV per Share

The net asset value ("NAV") of the Trust is the total value of the Trust's portfolio investments, cash and other assets less any liabilities and expenses. The Trust's NAV per Share is calculated by dividing the Trust's NAV by the number of Shares then outstanding. The "Administrator" calculates the NAV of the Trust once each Exchange trading day. The NAV for a normal trading day will be released after 4:00 p.m. E.T.

Portfolio Crypto Assets traded on more than one Crypto Asset trading platform are valued at the last sale price reflected at 4:00 p.m. ET on the Crypto Asset trading platform representing the principal market for such Portfolio Crypto Asset on the business day for which such value is being determined. The Sponsor may engage a third-party pricing service or index provider to provide pricing data with respect to the Portfolio Crypto Assets. Portfolio Crypto Assets for which market prices are unavailable, or Portfolio Crypto Assets for which the Sponsor determines that the bid and/or ask price or a counterparty valuation does not reflect market value, will be valued at fair value, as determined in good faith by the Sponsor. Circumstances in which market prices may be unavailable include, but are not limited to, when trading in a Portfolio Crypto Asset is suspended, the exchange on which the Portfolio Crypto Asset is traded is subject to an unscheduled close or disruption or material events occur after the close of the exchange on which the Portfolio Crypto Asset is principally traded. In these circumstances, the Trust determines fair value in a manner that fairly reflects the market value of the Portfolio Crypto Asset on the valuation date based on consideration of any information or factors it deems appropriate, including, but not limited to, recent transactions in comparable assets, information relating to the specific security and developments in the markets.

Intraday Trust Value

An Indicative Trust Value ("ITV") will be disseminated on a per Share basis every 15 seconds during the Exchange's regular Core Trading Session hours of 9:30 a.m. ET to 4:00 p.m. ET. The ITV will be disseminated through the facilities of CTA/CQ High Speed Lines. In addition, the ITV will be available through on-line information services such as Bloomberg and Reuters. The ITV may differ from the NAV due to the differences in the time window of trades used to calculate each price (the NAV uses a sixty-minute window, whereas the ITV draws prices from the last trade on each exchange in an effort to produce a relevant, real-time price).

Creation and Redemption of Shares

The Trust creates and redeems Shares from time to time, but only in one or more Baskets, which will initially consist of at least 50,000 Shares, but may be subject to change ("Basket"). A Basket is only made in exchange for delivery to the Trust or the distribution by the Trust of an amount of Crypto Assets or cash represented by the Baskets being created or redeemed (the "Basket Deposit"). The amount of Crypto Assets required in a Basket Deposit and the amount of cash required in a Basket Deposit are based on the quantity or value of the quantity, as applicable, of Crypto Assets or cash attributable to each Share of the Trust being created or redeemed determined as of 4:00 p.m. E.T. on the day the order to create or redeem Baskets is properly received.

Authorized Participants are the only persons that may place orders to create and redeem Baskets. Authorized Participants must be (1) registered broker-dealers or other securities market participants, such as banks and other financial institutions, that are not required to register as broker-dealers to engage in securities transactions described below, and (2) Depository Trust Company ("DTC") participants.

Creation Procedures

On any Business Day,[12] an Authorized Participant may place an order with the Transfer Agent to create one or more Baskets. Purchase orders must be placed by the close of regular trading on the Exchange, or an earlier time determined by the Sponsor. A purchase order will be effective on the date it is received in good order by the Transfer Agent ("Purchase Order Date").

The manner by which creations are made is dictated by the terms of the Authorized Participant Agreement. Creation orders may be denominated and settled in an amount of Crypto Assets ("In-Kind Creation Order") or cash ("Cash Creation Order"). By placing an In-Kind Creation Order, an Authorized Participant will facilitate the deposit of Crypto Assets with the Custodian. By placing a Cash Creation Order, an Authorized Participant will facilitate the deposit of cash with the Cash Custodian.

Following an In-Kind Creation Order from an Authorized Participant, the Trust's account at the Custodian will be credited with the required Crypto Assets by 11:00 a.m. ET on the following business day or such other time designated by the Sponsor. The Authorized Participant will normally send the required Crypto Assets in an "on chain" transaction over a Blockchain. Upon receipt of the Basket Crypto Assets Deposit amount in the Trust's account at the Custodian, the Administrator will notify the Transfer Agent. The Transfer Agent will then direct DTC to credit the number of Shares created to the Authorized Participant's DTC account.

Following an Authorized Participant's Cash Creation Order, the Trust's account at the Cash Custodian will be credited with the Basket Cash Deposit amount by 11:00 a.m. ET on the following business day or such other time designated by the Sponsor. Upon receipt of the Basket Cash Deposit amount in the Trust's account at the Cash Custodian, the Transfer Agent will notify the Distributor, the Authorized Participant, and the

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[12] A "Business Day" means any day other than a day when the Exchange is closed for regular trading.

Sponsor that the Basket Cash Amount has been deposited. The Sponsor, on behalf of the Trust, will instruct a Crypto Assets trading counterparty to purchase the amount of Crypto Assets equivalent in value to the cash deposit amount associated with the creation order, with such purchase transaction prearranged to be executed, in the Sponsor's reasonable efforts, at the price used by the Trust to calculate NAV, taking into account any spread, commissions, or other trading costs on the applicable Purchase Order Date. The resulting Crypto Assets will be deposited in the Trust's account with the Custodian. The Transfer Agent will then direct DTC to credit the number of Shares created to the Authorized Participant's DTC account.

The Basket Deposit changes from day to day. On each day that the Exchange is open for regular trading, the Administrator adjusts the quantity of Crypto Assets or cash constituting the Basket Deposit as appropriate to reflect the value of the Trust's Crypto Assets or cash less accrued expenses.

Redemption Procedures

The procedures by which an Authorized Participant can redeem one or more Baskets mirror the procedures for the creation of Baskets with an additional safeguard on Crypto Assets being removed from the Custodial Account at the Custodian. On any Business Day, an Authorized Participant may place an order with the Transfer Agent to redeem one or more Baskets. Redemption orders must be placed by the close of regular trading on the Exchange, or an earlier time determined by the Sponsor. A redemption order will be effective on the date it is received by the Transfer Agent ("Redemption Order Date").

The manner by which redemptions are made is dictated by the terms of the Authorized Participant Agreement. Redemption orders are denominated and settled either in-kind ("In-Kind Redemption Order") or in cash ("Cash Redemption Order"). By placing a redemption order, an Authorized Participant will facilitate the deposit of Shares with the Transfer Agent.

In the case of an In-Kind Redemption Order, the redemption distribution from the Trust will consist of a movement of Crypto Assets to the Authorized Participant representing the amount of Crypto Assets held by the Trust, net of accrued expenses and other liabilities, evidenced by the Shares being redeemed on the Redemption Order Date. In the case of a Cash Redemption Order, the redemption distribution from the Trust will consist of a transfer to the Authorized Participant of an amount of cash that is in the same proportion to the total assets of the Trust, net of accrued expenses and other liabilities, on the Redemption Order Date, as the number of Shares to be redeemed under the purchase order is in proportion to the total number of Shares outstanding on the Redemption Order Date. With respect to either an In-Kind Redemption Order or Cash Redemption Order, the redemption distribution due from the Trust will be delivered once the Transfer Agent notifies the Cash Custodian, the Distributor and the Sponsor that the Authorized Participant has delivered the Shares represented by the Baskets to be redeemed to the Transfer Agent's DTC account.

By placing a redemption order, an Authorized Participant agrees to deliver the Baskets to

be redeemed through DTC's book-entry system to the Trust by the end of the following Business Day or such time as may be agreed upon by the Authorized Participant and the Sponsor following the Redemption Order Date.

Redemption Orders must be made in whole Baskets.

<u>The Structure and Operation of the Trust Protects Investors</u>

The Sponsor believes the structure and operation of the Trust is designed to mitigate fraudulent and manipulative acts and practices and to protect investors and the public interest. The Sponsor accordingly believes the Commission should approve the listing and trading of Shares of the Trust.

The Commission has historically approved or disapproved exchange filings to list and trade series of Trust Issued Receipts, including spot Commodity-Based Trust Shares, on the basis of whether the listing exchange has in place a comprehensive surveillance-sharing agreement ("CSSA") with a regulated market of significant size related to the underlying commodity to be held.[13] The Commission has since approved the listing and trading of shares of spot bitcoin exchange-traded products ("Spot Bitcoin ETPs") and spot ether exchange-traded products ("Spot Ether ETPs"), in each case finding that there were sufficient "other means" of preventing fraud and manipulation sufficient to satisfy the requirements of Section 6(b)(5) of the Exchange Act.[14] In each of the Spot Bitcoin ETP Approval Order and Spot Ether Approval Order, the Commission concluded, through a correlation analysis, that fraud or manipulation that impacts prices in spot bitcoin markets or spot ether markets would likely similarly impact CME bitcoin futures prices and CME ether futures prices, respectively.[15] The Commission further found that, because the CME's surveillance can assist in detecting those impacts on CME bitcoin

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[13] <u>See</u> Securities Exchange Act Release No. 83723 (July 26, 2018), 83 FR 37579 (August 1, 2018) (SR-BatsBZX-2016-30) (Order Setting Aside Action by Delegated Authority and Disapproving a Proposed Rule Change, as Modified by Amendments No. 1 and 2, to List and Trade Shares of the Winklevoss Bitcoin Trust) ("Winklevoss Order"). In the Winklevoss Order, the Commission set forth both the importance and definition of a surveilled, regulated market of significant size, explaining that, for approved commodity-trust ETPs, "there has been in every case at least one significant, regulated market for trading futures on the underlying commodity—whether gold, silver, platinum, palladium, or copper—and the ETP listing exchange has entered into surveillance-sharing agreements with, or held Intermarket Surveillance Group membership in common with, that market." Winklevoss Order, 83 FR at 37594.

[14] <u>See</u> Securities Exchange Act Release No. 34-99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (SR-NYSEARCA-2021-90; SR-NYSEARCA-2023-44; SR-NYSEARCA-2023-58; SR-NASDAQ-2023-016; SR-NASDAQ-2023-019; SR-CboeBZX-2023028; SR-CboeBZX-2023-038; SR-CboeBZX-2023-040; SR-CboeBZX-2023-042; SRCboeBZX-2023-044; SR-CboeBZX-2023-072) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, to List and Trade Bitcoin-Based Commodity-Based Trust Shares and Trust Units) (the "Spot Bitcoin ETP Approval Order"); Securities Exchange Act Release No. 100224 (May 23, 2024), 89 FR 46937 (May 30, 2024) (SR-NYSEARCA-2023-70; SR-NYSEARCA-2024-31; SR- NASDAQ-2023-045; SR-CboeBZX-2023-069; SR-CboeBZX-2023-070; SR-CboeBZX-2023-087; SR-CboeBZX-2023-095; SR-CboeBZX-2024-018) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, to List and Trade Shares of Ether-Based Exchange-Traded Products) (the "Spot Ether ETP Approval Order").

[15] <u>See</u> Spot Bitcoin ETP Approval Order, 89 FR at 3010; Spot Ether ETP Approval Order, 89 FR at 46938.

futures prices and CME ether futures prices, a listing exchange's CSSA with the CME can be reasonably expected to assist in surveilling for fraudulent and manipulative acts and practices in the context of the Spot Bitcoin ETPs and Spot Ether ETPs.[16]

The Commission has also approved the listing and trading of shares of exchange-traded products that hold both spot bitcoin and spot ether in proportion to their market capitalizations (the "Spot Bitcoin/Ether ETPs").[17] In approving the Spot Bitcoin/Ether ETPs, the Commission similarly found, based on the continued consistent correlation between the spot bitcoin market and the CME bitcoin futures market and between the spot ether market and the CME ether futures market, that a listing exchange's CSSA with the CME can be reasonably expected to assist in surveilling for fraudulent and manipulative acts and practices in the context of the Spot Bitcoin/Ether ETPs.[18]

The Commission recently approved generic listing standards for the listing and trading of shares of Commodity-Based Trust Shares that meet certain requirements.[19] Among other requirements, the generic listing standards provide that a commodity or commodity underlying commodity-based assets held by a trust issuing Commodity-Based Trust Shares is an eligible holding of the trust if it meets at least one of the following criteria:

- On an initial and continuing basis, the commodity trades on a market that is an Intermarket Surveillance Group ("ISG") member, provided that the Exchange may obtain information about trading in such commodity from the ISG member;

- On an initial and continuing basis, the commodity underlies a futures contract that has been made available to trade on a designated contract market ("DCM") for at least six months, provided that the Exchange has a CSSA, whether directly or through common membership in ISG, with such DCM; or

- On an initial basis, an ETF designed to provide economic exposure of no less than 40% of its NAV to the commodity lists and trades on a national securities exchange.[20]

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[16]   See Spot Bitcoin ETP Approval Order, 89 FR at 3010; Spot Ether ETP Approval Order, 89 FR at 46938-39.

[17]   See Securities Exchange Act Release No. 101998 (December 19, 2024), 89 FR 106707 (December 30, 2024) (SR-NASDAQ-2024-028; SR-CboeBZX-2024-091) (Order Granting Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Hashdex Nasdaq Crypto Index US ETF and Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Franklin Crypto Index ETF, a Series of the Franklin Crypto Trust) (the "Spot Bitcoin/Ether ETP Approval Order").

[18]   See Spot Bitcoin/Ether ETP Approval Order, 89 FR at 106708.

[19]   See Securities Exchange Act Release No. 103995 (September 17, 2025), 90 FR 45414 (September 22, 2025) (SR-NASDAQ-2025-056; SR-CboeBZX-2025-104; SRNYSEARCA-2025-54) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, to Adopt Generic Listing Standards for Commodity-Based Trust Shares) ("Generic Listing Standards Approval Order").

[20]   See, e.g., NYSE Arca Rules 8.201-E(d)(1)(i)-(iii) (Generic).

In approving the generic listing standards, the Commission found that these eligibility criteria for trust holdings would facilitate information sharing and help to ensure the availability of information necessary to aid in the detection and deterrence of potential fraud and manipulation with respect to a commodity or commodity underlying a commodity-based asset, and that the availability of such information can be reasonably expected to assist a listing exchange in its efforts to surveil for fraud and manipulation that may impact the Commodity-Based Trust Shares.[21]

The Commission also recently approved the listing and trading of shares of exchange-traded products under Rule 8.500-E,[22] including the listing and trading of shares of exchange-traded products where at least 85% of the net assets are invested in Approved Components.[23] The Commission found that the listing and trading of such shares was consistent with the Act, given that the structure of the trusts issuing those shares, the terms of their operation, and the trading of the shares were substantially similar to those of other proposals approved in prior Commission orders.[24]

The Sponsor believes that, for reasons similar to those set forth in the Spot Bitcoin ETP Approval Order, Spot Ether ETP Approval Order, Spot Bitcoin/Ether ETP Approval Order, Generic Listing Standards Approval Order, and Multi-Asset Crypto ETP Approval Orders, listing and trading Shares of the Trust would be consistent with the requirements of the Act.

Availability of Information

The Trust's website will include quantitative information on a per Share basis updated on a daily basis, including, (i) the current NAV per Share daily and the prior Business Day's NAV per Share and the reported closing price of the Shares; (ii) the mid-point of the bid-ask price[25] as of the time the NAV per Share is calculated ("Bid-Ask Price") and a calculation of the premium or discount of such price against such NAV per Share; and

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[21]   See Generic Listing Standards Approval Order, 90 FR at 45418-19.

[22]   See Securities Exchange Act Release Nos. 103996 (September 17, 2025), 90 FR 45440 (September 22, 2025) (SR-NYSEARCA-2025-87) (Order Setting Aside Action by Delegated Authority and Approving a Proposed Rule Change, as Modified by Amendment No. 1, To Amend NYSE Arca Rule 8.500–E (Trust Units) and To List and Trade Shares of the Grayscale Digital Large Cap Fund LLC Under Amended NYSE Arca Rule 8.500–E (Trust Units)); 104212 (November 18, 2025), 90 FR 52724 (November 21, 2025) (SR-NYSEARCA-2025-98) (Order Setting Aside Action by Delegated Authority and Approving a Proposed Rule Change, as Modified by Amendment No. 1, To Amend NYSE Arca Rule 8.500–E (Trust Units) and To List and Trade Shares of the Bitwise 10 Crypto Index ETF Under Amended NYSE Arca Rule 8.500–E (Trust Units)) (collectively, the "Multi-Asset Crypto ETP Approval Orders").

[23]   See Securrities Exchange Act Release No. 103531 (July 22, 2025), 90 FR 35339 (July 25, 2025) (Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To Amend NYSE Arca Rule 8.500–E (Trust Units) and To List and Trade Shares of the Bitwise 10 Crypto Index ETF Under Amended NYSE Arca Rule 8.500–E (Trust Units)) (SR-NYSEARCA-2024-98) ("Bitwise 85% Approval Order").

[24]   See note 22, supra.

[25]   The Bid-Ask Price of the Trusts is determined using the highest bid and lowest offer on the Consolidated Tape as of the time of calculation of the closing day NAV.

(iii) data in chart format displaying the frequency distribution of discounts and premiums of the daily Bid-Ask Price against the NAV per Share, within appropriate ranges, for each of the four previous calendar quarters (or for as long as the Trust has been trading as an ETP if shorter). In addition, on each business day the Trust's website will provide pricing information for the Shares and disclose the Portfolio Crypto Assets, including: (i) the name of each Portfolio Crypto Asset; (ii) the quantity of each Portfolio Crypto Asset; and (iii) the weighting of each Portfolio Crypto Asset. The Trust's website will also include a form of the prospectus for the Trust that may be downloaded, and any other applicable quantitative information.

One or more major market data vendors will provide the ITV per Share updated every 15 seconds, as calculated by the Exchange or a third party financial data provider during the Exchange's Core Trading Session (9:30 a.m. to 4:00 p.m. E.T.).[26] The ITV will be calculated using the same methodology as the NAV per Share of the Trust, specifically by using the prior day's closing NAV per Share as a base and updating that value during the NYSE Arca Core Trading Session to reflect changes in the value of the Trusts' NAV during the trading day.

The ITV disseminated during the NYSE Arca Core Trading Session should not be viewed as an actual real-time update of the NAV per Share, which will be calculated only once at the end of each trading day. The ITV will be widely disseminated on a per Share basis every 15 seconds during the NYSE Arca Core Trading Session by one or more major market data vendors. In addition, the ITV will be available through on-line information services.

The NAV for the Trust will be calculated once a day and will be disseminated daily to all market participants at the same time. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the Consolidated Tape Association ("CTA").

Quotation and last sale information for the Crypto Assets will be widely disseminated through a variety of major market data vendors. In addition, real-time price (and volume) data for the Crypto Assets is available by subscription to major market data vendors. Information relating to trading, including price and volume information, will be available from major market data vendors and from the trading platforms on which the Crypto Assets are traded. The normal trading hours for crypto asset trading platforms are 24 hours per day, 365 days per year.

On each Business Day, the Sponsor will publish the Trust's NAV and the NAV per Share on the Trust's website as soon as practicable after its determination.

The Trust will provide website disclosure of their NAV daily. The website disclosure of the Trust's NAV will occur at the same time as the disclosure of the NAV to Authorized Participants so that all market participants are provided such information at the same

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[26] The ITV on a per Share basis disseminated during the NYSE Arca Core Trading Session should not be viewed as a real-time update of the NAV, which is calculated once a day.

time. Therefore, the same information will be provided on the trust's public website as well as in electronic files provided to Authorized Participants. Accordingly, each investor will have access to the current NAV of the Trust through the Trust's website, as well as from one or more major market data vendors.

Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services.

Information regarding the previous day's closing price and trading volume information for the Shares will be published daily in the financial section of newspapers.

Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of the Trust.[27] Trading in Shares of the Trust will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12-E have been reached or exceeded. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.

The Exchange may halt trading during the day in which an interruption to the dissemination of the ITV occurs.[28] If the interruption to the dissemination of the ITV persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the Core Trading Session following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on the NYSE Arca Marketplace from 4:00 a.m. to 8:00 p.m. E.T. in accordance with NYSE Arca Rule 7.34-E (Early, Core, and Late Trading Sessions). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Rule 7.6-E, the minimum price variation ("MPV") for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is $0.01, with the exception of securities that are priced less than $1.00 for which the MPV for order entry is $0.0001.

The Shares will be required to conform to the initial and continued listing criteria under NYSE Arca Rule 8.500-E. The trading of the Shares will be subject to NYSE Arca Rule 8.500-E(f), which sets forth certain restrictions on Equity Trading Permit Holders ("ETP

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[27]   See NYSE Arca Rule 7.12-E.

[28]   A limit up/limit down condition in the futures market would not be considered an interruption requiring the Trust to be halted.

Holders") acting as registered Market Makers in Trust Units to facilitate surveillance. The Exchange represents that, for initial and continued listing, the Trust will be required to comply with Rule 10A-3 under the Act,[29] as provided by NYSE Arca Rule 5.3-E. The Exchange will also require a minimum of 100,000 Shares of the Trust to be outstanding at the commencement of trading on the Exchange.

Surveillance

The Exchange represents that trading in the Shares of the Trust will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by the Financial Industry Regulatory Authority ("FINRA") on behalf of the Exchange, which are designed to detect potential violations of Exchange rules and applicable federal securities laws with respect to the Shares of the Trust trading on the Exchange.[30] The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws with respect to the Shares of the Trust trading on the Exchange.

The existing surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity with respect to the Shares of the Trust. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate regarding trading in the Shares with other markets and other entities that are members of the ISG.[31] The Exchange or FINRA, on behalf of the Exchange, or both, may obtain information regarding trading in the Shares and Portfolio Crypto Asset derivatives from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Portfolio Crypto Asset derivatives from those markets and other entities that trade the Portfolio Crypto Asset derivatives with which the Exchange has in place a CSSA. The Exchange is also able to obtain information from ETP Holders acting as registered Market Makers regarding their trading (as principal or agent) in the Shares and any underlying Portfolio Crypto Assets, options on Portfolio Crypto Assets, or any other Portfolio Crypto Asset derivatives.

In addition, under NYSE Arca Rule 8.500-E(f), an ETP Holder acting as a registered Market Maker in the Shares is required to provide the Exchange with information relating to its accounts for trading in any underlying commodity, related futures or options on futures, or any other related derivatives. Commentary .04 of NYSE Arca Rule 11.3-E requires an ETP Holder acting as a registered Market Maker, and its affiliates, in the

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[29]   17 CFR 240.10A-3. See note 8, supra.

[30]   FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

[31]   For a list of the current members of ISG, see www.isgportal.org.

Shares to establish, maintain and enforce written policies and procedures reasonably designed to prevent the misuse of any material nonpublic information with respect to such products, any components of the related products, any physical asset or commodity underlying the product, applicable currencies, underlying indexes, related futures or options on futures, and any related derivative instruments (including the Shares). As a general matter, the Exchange has regulatory jurisdiction over its ETP Holders and their associated persons, which include any person or entity controlling an ETP Holder. To the extent the Exchange may be found to lack jurisdiction over a subsidiary or affiliate of an ETP Holder that does business only in commodities or futures contracts and that subsidiary or affiliate is a member of another regulatory organization, the Exchange could obtain information regarding the activities of such subsidiary or affiliate through surveillance sharing agreements with regulatory organizations to the extent the Exchange has such an agreement with that regulatory organization.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the index or portfolio or reference asset, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Shares on the Exchange.

The Sponsor has represented to the Exchange that it will advise the Exchange promptly if the Trust ceases to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If the Exchange becomes aware that the Trust is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5-E(m).

Information Bulletin

At or prior to the commencement of trading, the Exchange will inform its ETP Holders in an "Information Bulletin" of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (1) the procedures for creations of Shares in Baskets; (2) NYSE Arca Rule 9.2-E(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (3) information regarding how the value of the ITV and NAV are disseminated; (4) the possibility that trading spreads and the resulting premium or discount on the Shares may widen during the Opening and Late Trading Sessions, when an updated ITV will not be calculated or publicly disseminated; (5) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (6) trading information. The Exchange notes that investors purchasing Shares directly from the Trusts will receive a prospectus.

In addition, the Information Bulletin will reference that the Trust is subject to various fees and expenses as described in the annual report. The Information Bulletin will

disclose that information about the Shares of the Trust is publicly available on the Trust's website.

The Information Bulletin will also discuss any relief, if granted, by the Commission or the staff from any rules under the Act.

(b) Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)[32] that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Exchange believes the proposed listing and trading of Shares of the Trust is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Rule 8.500-E. The Exchange further believes that the proposed allocation of Portfolio Crypto Assets to include at least 85% Approved Components, as described above, would remove impediments to and perfect the mechanism of a free and open market and a national market system because, at the start of each NYSE Arca Core Trading Session, at least 85% of the Portfolio Crypto Assets will consist of Approved Components for which the Commission has found that there are sufficient means of preventing fraud and manipulation. The Exchange has in place certain surveillance procedures that are adequate to properly monitor trading in the Shares on the Exchange in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws applicable to the Shares of the Trust trading on the Exchange. The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares with other markets that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares and Portfolio Crypto Asset derivatives from such markets. In addition, the Exchange may obtain information regarding trading in the Shares and Portfolio Crypto Asset derivatives from markets with which the Exchange has in place a CSSA. Also, pursuant to NYSE Arca Rule 8.500-E(f), the Exchange is able to obtain information from ETP Holders regarding their trading (as principal or agent) in the Shares and any underlying Portfolio Crypto Assets, options on Portfolio Crypto Assets, or any Portfolio Crypto Asset derivatives.

The proposed rule change is also designed to prevent fraudulent and manipulative acts and practices because the Trust will hold on Portfolio Crypto Assets. The Exchange believes that, for reasons similar to those set forth in the Spot Bitcoin ETP Approval Order, Spot Ether ETP Approval Order, Spot Bitcoin/Ether ETP Approval Order, Generic Listing Standards Approval Order, Multi-Asset Crypto ETP Approval Orders, and Bitwise 85% Approval Order, listing and trading of the Trust would be consistent with the requirements of the Act because the Trust's holdings would primarily consist of

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[32]   15 U.S.C. 78f(b)(5).

Approved Components, such that the Exchange would be able to obtain information regarding trading in the Shares and futures from DCMs with which the Exchange has a CSSA or from other markets that are ISG members, which would assist the Exchange in detecting potential fraud or manipulation with respect to trading in the Shares. In particular, the CME bitcoin futures market and CME ether futures market are large, surveilled, and regulated markets that are closely connected with the spot markets for bitcoin and ether, respectively, through which the Exchange could obtain information to assist in detecting and deterring potential fraud or manipulation.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that there is a considerable amount of price and market information available on public websites and through professional and subscription services for the Portfolio Crypto Assets. Investors may obtain, on a 24-hour basis, Portfolio Crypto Asset pricing information based on the spot price for the Portfolio Crypto Assets from various financial information service providers. The closing price and settlement prices of the Portfolio Crypto Assets are readily available from publicly available websites. In addition, such prices are published in public sources, or on-line information services such as Bloomberg and Reuters. The NAV per Share will be calculated daily and made available to all market participants at the same time. The Trust will provide website disclosure of its NAV daily. One or more major market data vendors will disseminate for the Trust on a daily basis information with respect to the most recent NAV per Share and Shares outstanding. In addition, if the Exchange becomes aware that the NAV per Share is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA. The ITV will be widely disseminated on a per Share basis every 15 seconds during the NYSE Arca Core Trading Session (normally 9:30 a.m. E.T. to 4:00 p.m. E.T.) by one or more major market data vendors. The Exchange represents that the Exchange may halt trading during the day in which an interruption to the dissemination of the ITV occurs. If the interruption to the dissemination of the ITV persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the NYSE Arca Core Trading Session on the trading day following the interruption.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of exchange-traded product that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a CSSA. In addition, as noted above, investors will have ready access to information regarding the Trust's NAV, ITV, and quotation and last sale information for the Shares.

6. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that the proposed rule change will facilitate the listing and trading of an additional type of exchange-traded product that would enhance competition among market participants, to the benefit of investors and the marketplace.

7. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

   Written comments on the proposed rule change were neither solicited nor received.

8. Extension of Time Period for Commission Action

   The Exchange does not consent to an extension of the time period specified in Section 19(b)(2) of the Act.

9. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

   Not applicable.

10. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

    The proposed rule change is not based on the rules of the Commission or of another self-regulatory organization.

11. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

    Not applicable.

12. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

    Not applicable.

13. Exhibits

    Exhibit 1 – Form of Notice of Proposed Rule Change for Federal Register

    Exhibit 5 – Text of Proposed Rule Change

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-   ; File No. NYSEARCA-2026-33)

[Date]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change to List and Trade Shares of the FT SkyBridge Bitcoin Plus ETF

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 ("Act")[2] and Rule 19b-4 thereunder,[3] notice is hereby given that on March 26, 2026, NYSE Arca, Inc. ("NYSE Arca" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I.   Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to list and trade shares of the FT SkyBridge Bitcoin Plus ETF (the "Trust") under NYSE Arca Rule 8.500-E (Trust Units). The proposed rule change is available on the Exchange's website at www.nyse.com and at the principal office of the Exchange.

II.   Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments

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[1]   15 U.S.C. 78s(b)(1).

[2]   15 U.S.C. 78a.

[3]   17 CFR 240.19b-4.

it received on the proposed rule change. The text of those statements may be examined at the

places specified in Item IV below. The Exchange has prepared summaries, set forth in sections

A, B, and C below, of the most significant parts of such statements.

      A.   Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

      1.   Purpose

The Exchange proposes to list and trade shares of the Trust[4] (the "Shares") under NYSE

Arca Rule 8.500-E. NYSE Arca Rule 8.500-E provides for the listing and trading of Trust Units,

which are securities issued by a trust, limited liability company, or other similar entity that holds

investments comprising or otherwise based on any combination of futures contracts, options on

futures contracts, forward contracts, swap contracts, commodities and/or securities.[5] The

Exchange may list and trade Trust Units based on an underlying asset, commodity, security

and/or portfolio, which may be represented by an index or portfolio of any of the foregoing.[6]

According to the Registration Statement, the Trust will not be registered as an investment

company under the Investment Company Act of 1940,[7] and is not required to register thereunder.

The Trust is not a commodity pool for purposes of the Commodity Exchange Act.[8]

The Exchange represents that the Shares satisfy the requirements of NYSE Arca Rule

8.500-E and thereby qualify for listing on the Exchange.[9]

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[4]   On January 13, 2026, the Trust confidentially filed a draft registration statement on Form S-1 under the Securities Act of 1933 (the "Registration Statement"). The description of the Trust and Shares contained herein is based, in part, on the Registration Statement. The Registration Statement is not yet effective, and the Shares will not trade on the Exchange until such time that the Registration Statement is effective.

[5]   See NYSE Arca Rule 8.500-E(b)(2).

[6]   See NYSE Arca Rule 8.500-E(c).

[7]   15 U.S.C. 80a-1.

[8]   17 U.S.C. 1.

[9]   With respect to the application of Rule 10A-3 (17 CFR 240.10A-3) under the Act, the Trust relies on the

Operation of the Trust[10]

The Trust will issue the Shares which, according to the Registration Statement, represent units of undivided beneficial ownership of the Trust. The Trust is a Cayman Islands limited liability company formed and registered pursuant to the Limited Liability Companies Act (As Revised) of the Cayman Islands (the "LLC Act") and will operate pursuant to an Amended and Restated Limited Liability Company Agreement (the "Fund Agreement"). The Trust is sponsored by First Trust Advisors L.P. (the "Sponsor") and sub-advised by SkyBridge Capital II, LLC (the "Sub-Adviser"). One or more digital asset Custodians will hold the Portfolio Crypto Assets (as defined herein) on behalf of the Trust, except under limited circumstances when Portfolio Crypto Assets are temporarily transferred as described herein (the "Custodian"). The Bank of New York Mellon will be the custodian for the Trust's cash holdings (in such role, the "Cash Custodian"),[11] as well as the Trust's administrator (in such role, the "Administrator") and transfer agent (in such role, the "Transfer Agent").[12]

According to the Registration Statement, the investment objective of the Trust is for the value of the Shares to reflect the value of the digital assets ("Crypto Assets") held by the Trust (the "Portfolio Crypto Assets"), plus any cash held by the Trust and reduced by the Trust's expenses and other liabilities. In seeking to achieve the Trust's investment objective, the Sub-Adviser, under the supervision of the Sponsor, will employ an actively managed, research-driven

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exemption contained in Rule 10A-3(c)(7).

[10] The description of the operation of the Trust, the Shares, and digital asset markets contained herein is based, in part, on the Registration Statement. See note 4, supra.

[11] The Trust relies on the Cash Custodian to hold any cash related to the creation and redemption of Shares, purchase, or sale of Portfolio Crypto Assets or held for payment of expenses not assumed by the Sponsor.

[12] The Transfer Agent will facilitate the settlement of Shares in response to the placement of creation orders and redemption orders from Authorized Participants (as defined herein). The Trust generally does not intend to hold cash or cash equivalents. However, there may be situations where the Trust will hold cash on a temporary basis, including in connection with the creation and redemption process.

process to select and weight Portfolio Crypto Assets, with the portfolio anchored by a core allocation to bitcoin and complemented by targeted exposures to other leading Crypto Assets. According to the Registration Statement, this process is designed to capture bitcoin's long-term primacy in Crypto Assets while identifying forward-looking opportunities beyond bitcoin that the Sub-Adviser believes are poised to become the next generation of leaders. To reflect the Sub-Adviser's belief that bitcoin will be the primary driver of long-term, risk-adjusted returns, the Trust's portfolio will generally maintain an overweight to bitcoin relative to passive, market-cap-weighted peers. The Sub-Adviser may modulate the bitcoin weight and resize non-bitcoin positions over shorter intervals to capitalize on cyclical rotations and catalyst-driven windows of outperformance among leading tokens, while preserving the Trust's bitcoin emphasis.

The Trust will hold not less than 50% and not more than 85% of its net assets in bitcoin at the time of purchase. At least 85% of the net assets will be invested in Crypto Assets that are the primary investment underlying exchange-traded products previously approved by the Commission to list and trade on a national securities exchange (the "Approved Components"), with the remainder not to exceed 15% invested in assets outside those standards. These thresholds and operational requirements shape the universe from which the Sub-Adviser selects. Within this universe, according to the Registration Statement, the Sub-Adviser will evaluate prospective non-bitcoin allocations using a multi-factor framework. First, the Sub-Adviser will assess market structure and capital flows to understand where institutional and retail participation is deepening or accelerating, and to identify liquidity conditions conducive to position establishment and exit. Second, the Sub-Adviser will analyze fundamental adoption trends, including on-chain indicators, active address growth, and the health and trajectory of developer ecosystems, as primary signals of real-world traction and network vitality. Third, the Sub-

Adviser will incorporate a disciplined mean-reversion lens to identify statistical dislocations following periods of pronounced under- or outperformance, using such episodes to calibrate entry points and relative sizing. Fourth, the Sub-Adviser will weigh catalysts—such as regulatory breakthroughs, enterprise integrations, and major protocol upgrades—that may drive non-linear changes in adoption, utility, or capital inflows. This forward-looking assessment will allow the Sub-Adviser to differentiate assets with durable momentum and improving fundamentals from those supported primarily by legacy market capitalization. This framework will aim to produce a portfolio that captures bitcoin's core return drivers and selectively amplifies performance through targeted, research-led allocations to other Crypto Assets.

According to the Registration Statement, the Trust, the Sponsor and the Trust's service providers will not loan or pledge the Trust's assets, nor will the Trust's assets serve as collateral for any loan or similar arrangement. The Trust will also not utilize leverage, derivatives or any similar arrangements in seeking to meet its investment objective.

Overview of the Crypto Asset Industry

According to the Registration Statement, digital or crypto assets are bearer assets whose ownership is secured by cryptographic protocols and incentives that operate on a network of computers utilizing Blockchains (as defined below). Crypto assets are intended to allow for storage and transfer without the need of a trusted intermediary and therefore they have the potential to challenge and disrupt many areas of the financial market, including traditional systems of value storage, value transfer, governance, and other important applications. Well-known Blockchains that have their own native Crypto Assets include bitcoin and Ethereum.

Crypto Assets are traded on trading venues around the world, as well as in over-the-counter and peer-to-peer markets. Crypto Assets can be converted to fiat currencies or into other Crypto Assets at rates determined by supply and demand on these markets. Derivative investment products, including futures, options, and swaps contracts, are also available on certain crypto assets that allow investors to build sophisticated investment and trading strategies focused around the most prominent Crypto Assets.

The number and diversity of market participants and companies operating in the Crypto Asset space has also increased dramatically over the past several years. There is currently a wide range of companies that provide services related to Crypto Assets to retail and institutional investors. These include companies that provide trading venues, custody solutions for institutional and retail investors, investment funds, payment services, trading services, lending and collateral management, and prime brokerage.

The ownership of Crypto Assets is recorded in a digital ledger or database, called a Blockchain. Blockchains differ from traditional databases in that they are designed not to be controlled by any single party, but rather, to be maintained by a distributed network of computers, each of which maintains and updates its own copy of the ledger. Each participant in this network is heavily incentivized to process transactions according to a set of predetermined rules and to keep its ledger consistent with the rest of the network over time.

The exact method with which each Blockchain network processes and records transactions can, and usually does, vary from Blockchain to Blockchain. There are myriad architectural decisions participants either implicitly or explicitly agree upon when they join a certain network, which includes the level of decentralization, privacy, throughput, and other features a network can provide. These decisions usually involve trade-offs and therefore each

Blockchain network is typically optimized for specific capabilities, limitations, and target use cases.

As a nascent and fast-changing area, the Crypto Asset market carries significant risks and uncertainty. According to the Registration Statement, certain of the principal risks that the Trust faces include the following:

- Crypto Assets are subject to significant price volatility, which can impact investments in the Trust;

- the value of Crypto Assets, including bitcoin, may be subject to momentum pricing, resulting in inaccurate valuations, heightened volatility, and potential adverse impacts on the value of an investment in the Shares;

- the value of the Crypto Assets is dependent on prices established by Crypto Asset exchanges and other Crypto Asset trading venues, the instability, failure, closure, or manipulation of which could adversely affect an investment in the Trust;

- limited adoption, usage, and evolving market challenges for bitcoin and other Crypto Assets could adversely impact the Trust and the value of its Shares;

- changes in the governance of a Crypto Asset's Blockchain network may not receive sufficient support from users, validators, or miners, which may negatively affect that Blockchain network's ability to grow and respond to challenges;

- many Crypto Asset Networks and protocols, including some of the networks and protocols of Portfolio Crypto Assets, are supported by foundations and/or founding teams that may influence the development of the Crypto Asset Networks or protocols and could adversely affect the value of the Portfolio Crypto Assets;

- a temporary or permanent "fork" could adversely affect the value of the Shares and

the operations of the Trust;

- competition from the emergence or growth of other Crypto Assets or the development of other methods of investing in Crypto Assets could have a negative impact on the price of Crypto Assets and adversely affect the value of the Shares;

- political or economic crises may motivate large-scale sales of Crypto Assets, which could result in a reduction in the price of Portfolio Crypto Assets and adversely affect an investment in the Shares;

- evolving regulatory landscape and increased scrutiny of Crypto Assets may adversely impact the business and reputation of the Trust and the Sponsor;

- decentralized governance and amendments to Crypto Asset networks, if accepted and authorized by the respective networks, could adversely affect an investment in the Trust;

- fluctuations in the supply of Portfolio Crypto Assets due to regulatory, technological, and deflationary factors could adversely affect the value of the Shares;

- if a malicious actor or botnet gained control over the networks of the Portfolio Crypto Assets could adversely impact the value of the Shares and the Trust's ability to operate;

- certain Portfolio Crypto Assets utilize DeFi protocols, which are typically developed on top of other public Blockchain networks and are therefore subject to the risks of the underlying public Blockchain networks.

<u>Description of the Portfolio Crypto Assets</u>

According to the Registration Statement, the Sponsor and the Sub-Adviser maintain discretion to alter the composition of the Trust's portfolio within the limitations of the Trust's

investment strategy. Accordingly, the composition of Trust's portfolio, including which Crypto Assets are included and at what weights, is expected to change over time. At the Trust's inception, the Sponsor and the Sub-Adviser expect that the Trust may at times have significant (which the Sponsor interprets to mean 5% or more of NAV) allocations to bitcoin, ether, HYPE and Solana. A description of each such Portfolio Crypto Asset follows.

Bitcoin

Bitcoin is a Crypto Asset that is created and transmitted through the operations of the peer-to-peer Bitcoin network, a decentralized network of computers that operates on cryptographic protocols. No single entity owns or operates the Bitcoin network, the infrastructure of which is collectively maintained by a decentralized user base. The Bitcoin network allows people to exchange tokens of value, called bitcoin, which are recorded on a public transaction ledger known as a blockchain. Bitcoin can be used to pay for goods and services, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on exchanges that trade bitcoin or in individual end-user-to-end-user transactions under a barter system.

The Bitcoin network was initially contemplated in a white paper that also described Bitcoin and the operating software to govern the Bitcoin network. The white paper was purportedly authored by Satoshi Nakamoto. However, no individual with that name has been reliably identified as bitcoin's creator, and the general consensus is that the name is a pseudonym for the actual inventor or inventors. The first bitcoins were created in 2009 after Nakamoto released the Bitcoin network source code (the software and protocol that created and launched the Bitcoin network). The Bitcoin network has been under active development since that time by a group of engineers known as core developers. The core developers are able to access, and can

alter, the Bitcoin network source code and, as a result, they are responsible for quasi-official

releases of updates and other changes to the Bitcoin network's source code. The release of

updates to the Bitcoin network's source code does not guarantee that the updates will be

automatically adopted. Users and miners must accept any changes made to the Bitcoin source

code by downloading the proposed modification of the Bitcoin network's source code. A

modification of the Bitcoin network's source code is effective only with respect to the Bitcoin

users and miners that download it. If a modification is accepted by only a percentage of users

and miners, a division in the Bitcoin network will occur such that one network will run the pre-

modification source code and the other network will run the modified source code. Such a

division is known as a "fork."

The supply of new bitcoin is mathematically controlled so that the amount of bitcoin

grows at a limited rate pursuant to a pre-set schedule. The amount of bitcoin awarded for solving

a new block is automatically halved after every 210,000 blocks are added to the Bitcoin

blockchain. Currently, the fixed reward for solving a new block is 3.125 bitcoin per block and

this is expected to decrease by half to become 1.5625 bitcoin after the next 210,000 blocks have

entered the Bitcoin network, which is expected to be mid-2028. This deliberately controlled rate

of bitcoin creation means that the amount of bitcoin in existence will increase at a controlled rate

until the amount of Bitcoin in existence reaches the pre-determined 21 million Bitcoin. As of

September 30, 2025, approximately 19.9 million Bitcoins were outstanding and the date when

the 21 million bitcoin limitation will be reached is estimated to be the year 2140.

Ethereum

Ethereum ("ether") is a Crypto Asset that is created and transmitted through the

operations of the peer-to-peer Ethereum network, a decentralized network of computers that

operates on cryptographic protocols. No single entity owns or operates the Ethereum network, the infrastructure of which is collectively maintained by a decentralized user base. The Ethereum network allows people to exchange tokens of value, called ether, which are recorded on a public transaction ledger known as a blockchain. Ether can be used to pay for goods and services, including computational power on the Ethereum network, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on exchanges or in individual end-user-to-end-user transactions under a barter system. Furthermore, the Ethereum network also allows users to write and implement smart contracts—that is, general-purpose code that executes on every computer in the network and can instruct the transmission of information and value based on a sophisticated set of logical conditions. Using smart contracts, users can create markets, store registries of debts or promises, represent the ownership of property, move funds in accordance with conditional instructions and create Crypto Assets other than ether on the Ethereum network. Smart contract operations are executed on the Ethereum blockchain in exchange for payment of ether. The Ethereum network is one of a number of projects intended to expand blockchain use beyond just a peer-to-peer money system.

The Ethereum network was originally described in a 2013 white paper by Vitalik Buterin, a programmer involved with bitcoin, with the goal of creating a global platform for decentralized applications powered by smart contracts. The formal development of the Ethereum network began through a Swiss firm called Ethereum Switzerland GmbH in conjunction with several other entities. Subsequently, the Ethereum Foundation, a Swiss non-profit organization, was set up to oversee the protocol's development. The Ethereum network went live on July 30, 2015.

<u>Smart Contracts and Development on the Ethereum Network</u>

Smart contracts are programs that run on a blockchain that can execute automatically

when certain conditions are met. Smart contracts facilitate the exchange of anything representative of value, such as money, information, property, or voting rights. Using smart contracts, users can send or receive Crypto Assets, create markets, store registries of debts or promises, represent ownership of property or a company, move funds in accordance with conditional instructions and create new Crypto Assets.

Development on the Ethereum network and other smart contract platforms involves building more complex tools on top of smart contracts, such as decentralized apps (DApps); organizations that are autonomous, known as decentralized autonomous organizations (DAOs); and entirely new decentralized networks. For example, a company that distributes charitable donations on behalf of users could hold donated funds in smart contracts that are paid to charities only if the charity satisfies certain pre-defined conditions.

Moreover, the Ethereum network has also been used as a platform for creating new Crypto Assets and conducting their associated initial coin offerings. As of September 30, 2025, a majority of Crypto Assets were built on the Ethereum network, with such assets representing a significant amount of the total market value of all Crypto Assets.

The Ethereum network and other smart contract platforms are, among other uses, used for decentralized finance (DeFi) or open finance platforms, which seek to democratize access to financial services, such as borrowing, lending, custody, trading, derivatives and insurance, by removing third-party intermediaries. DeFi can allow users to lend and earn interest on their Crypto Assets, exchange one Crypto Asset for another and create derivative Crypto Assets such as stablecoins, which are Crypto Assets pegged to a reserve asset such as fiat currency. During the twelve months ended June 30, 2025, between approximately $41 billion and $76 billion worth of Crypto Assets were locked up as collateral on DeFi platforms on the Ethereum network.

HYPE

Hyperliquid is a Crypto Asset that is created and transmitted through the operations of the peer-to-peer Hyperliquid network, a decentralized network of computers that operates on cryptographic protocols. The Hyperliquid Network allows participants to exchange tokens of value called Hyperliquid or HYPE. As of December 12, 2025, Hyperliquid was believed to be the 12th largest digital asset by market cap.

Transactions of Hyperliquid are processed by a distributed network of computers called validators, and recorded on the Hyperliquid Blockchain, a secure digital ledger where all Hyperliquid transactions are recorded. These validators are rewarded with Hyperliquid for their efforts. No single entity owns or operates the Hyperliquid Network or manages the Hyperliquid Blockchain. Instead, the infrastructure is collectively maintained by a decentralized community of users.

Hyperliquid can be used to pay for goods and services, including to send transactions on the Hyperliquid network, or it can be converted to fiat currencies, such as the U.S. dollar. The primary goal of the Hyperliquid Network, however, is to support high-performance cryptocurrency trading via an on-chain central limit order book. This activity occurs on a component of the Hyperliquid network known as HyperCore. An additional component known as HyperEVM provides a scalable, and efficient decentralized platform that supports decentralized applications and smart contracts, which are self-executing computer programs stored on a blockchain that automatically carry out the terms of an agreement between parties once predetermined conditions are met. These smart contracts can utilize trading infrastructure of HyperCore.

Unlike centralized systems, no single entity controls the Hyperliquid Network. Unlike the proof-of-work mechanism used by bitcoin, which relies on miners solving computational puzzles, proof-of-stake allows validators to secure the network based on the number of Hyperliquid they hold and stake. Holders of Hyperliquid must stake the required minimum amount to become a Hyperliquid validator. Currently, the minimum stake amount is 10,000 Hyperliquid.

Hyperliquid was initially conceptualized and developed by a team of quantitative trading experts to provide a high-performance platform for cryptocurrency trading.

Solana

SOL is a Crypto Asset that is created and transmitted through the operations of the peer-to-peer Solana network, a decentralized network of computers that operates on cryptographic protocols. No single entity owns or operates the Solana network, the infrastructure of which is collectively maintained by a decentralized user base. The Solana network allows people to exchange tokens of value, called SOL, which are recorded on a public transaction ledger. SOL can be used to pay for goods and services, including to send a transaction on the Solana network, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on exchanges or in individual end-user-to-end-user transactions under a barter system. The Solana network was designed to allow users to write and implement smart contracts—that is, general-purpose code that executes on every computer in the network and can instruct the transmission of information and value based on a sophisticated set of logical conditions. Using smart contracts, users can create markets, store registries of debts or promises, represent the ownership of property, move funds in accordance with conditional instructions and create Crypto Assets other than SOL on the Solana network. Smart contract operations are executed on the Solana

Blockchain in exchange for payment of SOL. The Solana network is one of a number of projects intended to expand blockchain use beyond just a peer-to-peer money system.

The Solana protocol introduced the Proof-of-History ("PoH") timestamping mechanism. PoH automatically orders on-chain transactions by creating a historical record that proves an event has occurred at a specific moment in time. PoH is intended to provide a transaction processing speed and capacity advantage over other blockchain networks like the Bitcoin and Ethereum networks, which rely on sequential production of blocks and can lead to delays caused by validator confirmations. PoH is a new blockchain technology that is not widely used. PoH may not function as intended. For example, it may require more specialized equipment to participate in the network and fail to attract a significant number of users. In addition, there may be flaws in the cryptography underlying PoH, including flaws that affect functionality of the Solana network or make the network vulnerable to attack.

In addition to the PoH mechanism described above, the Solana network uses a proof-of-stake consensus mechanism to incentivize SOL holders to validate transactions. Unlike proof-of-work, in which miners expend computational resources to compete to validate transactions and are rewarded coins in proportion to the amount of computational resources expended, in proof-of-stake, validators risk or "stake" coins to compete to be randomly selected to validate transactions and are rewarded coins in proportion to the amount of coins staked. Any malicious activity, such as disagreeing with the eventual consensus or otherwise violating protocol rules, may result in a validator being selected less frequently by a consensus of other validators to validate blocks. Proof-of-stake is viewed as more energy efficient and scalable than proof-of-work and is sometimes referred to as "virtual mining".

The Solana protocol was first conceived by Anatoly Yakovenko in a 2017 whitepaper. Development of the Solana network is overseen by the Solana Foundation, a Swiss non-profit organization, and Solana Labs, Inc. (the "Company"), a Delaware corporation, which administered the original network launch and token distribution. Although the Company and the Solana Foundation continue to exert significant influence over the direction of the development of the Solana project, the Solana network is believed to be decentralized and does not require governmental authorities or financial institution intermediaries to create, transmit or determine the value of SOL.

Custody of the Trust's Assets

According to the Registration Statement, the Custodian will maintain custody of the Trust's Portfolio Crypto Assets. All of the Trust's Portfolio Crypto Assets will be held by the Custodian, other than the Trust's Portfolio Crypto Assets that are temporarily transferred: (i) in connection with a purchase or sale of Portfolio Crypto Assets; (ii) to facilitate a creation or redemption transaction with an Authorized Participant; or (iii) in anticipation of paying the Trust's expenses. The Custodian will hold the Trust's Portfolio Crypto Assets in cold storage or such other storage solution as the Sponsor determines to provide adequate protection for the Trust's assets. The Portfolio Crypto Assets in the Custodial Account may be held across multiple wallets, any of which will feature the following safety and security measures to be implemented by the Custodian:

- *Cold Storage*: Cold storage in the context of Crypto Assets means keeping the reserve of Crypto Assets offline, which is a widely-used security precaution, especially when dealing with large amount of Crypto Assets. Portfolio Crypto Assets held under custodianship with the Custodian will be kept in high-security, offline, multi-layer

cold storage vaults, or in such other storage solution as the Sponsor determines to provide adequate protection for the Trust's assets. This means that the private keys, the cryptographic component that allows a user to access Crypto Assets, are stored offline on hardware that has never been connected to the internet. Storing the private key offline minimizes the risk of the Crypto Assets being stolen. The Sponsor expects that all of the Trust's Portfolio Crypto Assets will be held in cold storage or such other storage solution determined by the Sponsor to provide adequate protection, other than the Trust's Portfolio Crypto Assets that are temporarily transferred: (i) in connection with a purchase or sale of Portfolio Crypto Assets; (ii) to facilitate a creation or redemption transaction with an Authorized Participant; or (iii) in anticipation of paying the Trust's expenses. In connection with creations or redemptions, the Trust will, under most circumstances, process redemptions by selling Portfolio Crypto Assets from the portion of its Portfolio Crypto Assets held in storage with the Custodian.

- *Private Keys*: All private keys are securely stored using multiple layers of high-quality encryption and in Custodian-owned hardware vaults or such other secure storage environments as the Sponsor determines to provide adequate protection. No customers or third parties are given access to the Custodian's private keys.

- *Whitelisting*: Transactions are only sent to vetted, known addresses. The Custodian's platform supports pre-approval and test transactions. The Custodian requires authentication when adding or removing addresses for whitelisting.

- *Audit Trails*: Audit trails exist for all movement of Portfolio Crypto Assets within Custodian-controlled wallets and are audited annually for accuracy and completeness

by an independent external audit firm.

In addition to the above measures, Portfolio Crypto Assets held with the Custodian are segregated from both the proprietary property of the Custodian and the assets of any other customer in accounts that clearly identify the Trust as the owner of the accounts.

Typical Stakeholders in Blockchain Networks

The following section provides an overview of the different groups of market participants in most blockchain networks and constitute much of the crypto economic system.

- Stakeholders help process transactions and ensure that the distributed ledgers that make up a blockchain network stay consistent with one another. Stakeholders are typically compensated for providing this service in large part by algorithmic grants of the Crypto Asset associated with a Blockchain network they are helping to secure, although they may be compensated with transaction fees or in other means as well. There are multiple schemes under which stakeholders can operate to provide this service and receive this payment, but the two most important are proof-of-work ("PoW") and proof-of-stake ("PoS").

    Proof of work is the first and most established scheme and involves computers solving cryptographic puzzles that require a substantial amount of energy as a way of securing the network and processing transactions. The more computing power a miner dedicates to solving this puzzle the more likely it will be the first to solve the problem and collect the rewards of newly minted Crypto Assets and transaction fees. By piling up computing power over time, transactions become increasingly hard to reverse and eventually can be considered "settled." PoW is the scheme used by bitcoin, as well as many other assets. One criticism of PoW

systems is the high amount of energy they consume, which may have negative downstream environmental consequences, among other issues.

Proof of stake is a newer scheme that tries to avoid the heavy energy consumption that PoW systems typically require. PoS systems require validators to lock up and put at risk (aka, "stake") a certain amount of the Crypto Asset associated with a given Blockchain in order to process transactions. These staked assets are lost if a validator processes a transaction in a way that is fraudulent or violates the rules of the underlying Blockchain. PoS is utilized by Blockchains such as Ethereum, Avalanche, Cardano and Solana. Concerns with PoS systems include the risk of lower security assurances and the potential for centralization of the network.

- Users are the stakeholders that hold or transfer Crypto Assets, either by participating directly in the network or by delegating this work to third-party service providers. Users will typically buy and sell Crypto Assets for fiat currencies through dedicated trading venues. In recent years, a robust ecosystem of trading systems has emerged that cater to these investors.

Once in possession of a Crypto Asset, the interaction between users and the rest of the network can fall between two ends of a spectrum:

- o On one end, users can opt to be completely sovereign over their asset holdings and transactions. Such users would typically host a local copy of the entire ledger of transactions and validate every single transaction that takes place in the network by running the protocol software on their own machines. They would also own the private keys that guarantee ownership of their Crypto Assets and embrace the responsibility of keeping them safe.

o On the other end, users can opt to delegate their participation in the network to third-party companies that provide specialized services. Examples of such users include individuals or institutions that delegate the responsibility of keeping their private keys safe to custodians or merchants that use payment processing companies to allow clients to make payments in Crypto Assets. This group may use third-party services either due to prioritization of convenience or due to external requirements (regulations, for example).

• Developers build the protocols and software that both users and stakeholders need to run in order to participate in the network. Developers are also generally split between two categories depending on the type of software they work in:

o Protocol developers are directly involved in building the core software that defines how a network operates. Most projects adopt the free and open-source software (FOSS) paradigm, which means that the software is freely and openly shared so that people can voluntarily contribute to its maintenance and improvement. Protocol developers can exert power over the network as they ultimately define which rules it will abide by, but as the software is open-source, users can opt to run any version of the software they see fit. This keeps the developers' power over the network in check. Protocol developers are usually highly specialized experts with deep knowledge not only of software development but also in cryptography, computer networking or other subfields of computer science.

o Application developers use the software built by protocol developers to build

applications that will ultimately reach end-users. Such projects might or might not be open-source software. Examples of such projects would be digital wallets, which are designed to allow users to hold crypto assets without the complexity of interacting with the underlying protocol.

Calculation of NAV and NAV per Share

The net asset value ("NAV") of the Trust is the total value of the Trust's portfolio investments, cash and other assets less any liabilities and expenses. The Trust's NAV per Share is calculated by dividing the Trust's NAV by the number of Shares then outstanding. The "Administrator" calculates the NAV of the Trust once each Exchange trading day. The NAV for a normal trading day will be released after 4:00 p.m. E.T.

Portfolio Crypto Assets traded on more than one Crypto Asset trading platform are valued at the last sale price reflected at 4:00 p.m. ET on the Crypto Asset trading platform representing the principal market for such Portfolio Crypto Asset on the business day for which such value is being determined. The Sponsor may engage a third-party pricing service or index provider to provide pricing data with respect to the Portfolio Crypto Assets. Portfolio Crypto Assets for which market prices are unavailable, or Portfolio Crypto Assets for which the Sponsor determines that the bid and/or ask price or a counterparty valuation does not reflect market value, will be valued at fair value, as determined in good faith by the Sponsor. Circumstances in which market prices may be unavailable include, but are not limited to, when trading in a Portfolio Crypto Asset is suspended, the exchange on which the Portfolio Crypto Asset is traded is subject to an unscheduled close or disruption or material events occur after the close of the exchange on which the Portfolio Crypto Asset is principally traded. In these circumstances, the Trust determines fair value in a manner that fairly reflects the market value of the Portfolio Crypto

Asset on the valuation date based on consideration of any information or factors it deems appropriate, including, but not limited to, recent transactions in comparable assets, information relating to the specific security and developments in the markets.

Intraday Trust Value

An Indicative Trust Value ("ITV") will be disseminated on a per Share basis every 15 seconds during the Exchange's regular Core Trading Session hours of 9:30 a.m. ET to 4:00 p.m. ET. The ITV will be disseminated through the facilities of CTA/CQ High Speed Lines. In addition, the ITV will be available through on-line information services such as Bloomberg and Reuters. The ITV may differ from the NAV due to the differences in the time window of trades used to calculate each price (the NAV uses a sixty-minute window, whereas the ITV draws prices from the last trade on each exchange in an effort to produce a relevant, real-time price).

Creation and Redemption of Shares

The Trust creates and redeems Shares from time to time, but only in one or more Baskets, which will initially consist of at least 50,000 Shares, but may be subject to change ("Basket"). A Basket is only made in exchange for delivery to the Trust or the distribution by the Trust of an amount of Crypto Assets or cash represented by the Baskets being created or redeemed (the "Basket Deposit"). The amount of Crypto Assets required in a Basket Deposit and the amount of cash required in a Basket Deposit are based on the quantity or value of the quantity, as applicable, of Crypto Assets or cash attributable to each Share of the Trust being created or redeemed determined as of 4:00 p.m. E.T. on the day the order to create or redeem Baskets is properly received.

Authorized Participants are the only persons that may place orders to create and redeem Baskets. Authorized Participants must be (1) registered broker-dealers or other securities market

participants, such as banks and other financial institutions, that are not required to register as broker-dealers to engage in securities transactions described below, and (2) Depository Trust Company ("DTC") participants.

Creation Procedures

On any Business Day,[13] an Authorized Participant may place an order with the Transfer Agent to create one or more Baskets. Purchase orders must be placed by the close of regular trading on the Exchange, or an earlier time determined by the Sponsor. A purchase order will be effective on the date it is received in good order by the Transfer Agent ("Purchase Order Date").

The manner by which creations are made is dictated by the terms of the Authorized Participant Agreement. Creation orders may be denominated and settled in an amount of Crypto Assets ("In-Kind Creation Order") or cash ("Cash Creation Order"). By placing an In-Kind Creation Order, an Authorized Participant will facilitate the deposit of Crypto Assets with the Custodian. By placing a Cash Creation Order, an Authorized Participant will facilitate the deposit of cash with the Cash Custodian.

Following an In-Kind Creation Order from an Authorized Participant, the Trust's account at the Custodian will be credited with the required Crypto Assets by 11:00 a.m. ET on the following business day or such other time designated by the Sponsor. The Authorized Participant will normally send the required Crypto Assets in an "on chain" transaction over a Blockchain. Upon receipt of the Basket Crypto Assets Deposit amount in the Trust's account at the Custodian, the Administrator will notify the Transfer Agent. The Transfer Agent will then direct DTC to credit the number of Shares created to the Authorized Participant's DTC account.

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[13]   A "Business Day" means any day other than a day when the Exchange is closed for regular trading.

Following an Authorized Participant's Cash Creation Order, the Trust's account at the

Cash Custodian will be credited with the Basket Cash Deposit amount by 11:00 a.m. ET on the

following business day or such other time designated by the Sponsor. Upon receipt of the Basket

Cash Deposit amount in the Trust's account at the Cash Custodian, the Transfer Agent will

notify the Distributor, the Authorized Participant, and the Sponsor that the Basket Cash Amount

has been deposited. The Sponsor, on behalf of the Trust, will instruct a Crypto Assets trading

counterparty to purchase the amount of Crypto Assets equivalent in value to the cash deposit

amount associated with the creation order, with such purchase transaction prearranged to be

executed, in the Sponsor's reasonable efforts, at the price used by the Trust to calculate NAV,

taking into account any spread, commissions, or other trading costs on the applicable Purchase

Order Date. The resulting Crypto Assets will be deposited in the Trust's account with the

Custodian. The Transfer Agent will then direct DTC to credit the number of Shares created to the

Authorized Participant's DTC account.

The Basket Deposit changes from day to day. On each day that the Exchange is open for

regular trading, the Administrator adjusts the quantity of Crypto Assets or cash constituting the

Basket Deposit as appropriate to reflect the value of the Trust's Crypto Assets or cash less

accrued expenses.

Redemption Procedures

The procedures by which an Authorized Participant can redeem one or more Baskets

mirror the procedures for the creation of Baskets with an additional safeguard on Crypto Assets

being removed from the Custodial Account at the Custodian. On any Business Day, an

Authorized Participant may place an order with the Transfer Agent to redeem one or more

Baskets. Redemption orders must be placed by the close of regular trading on the Exchange, or

an earlier time determined by the Sponsor. A redemption order will be effective on the date it is received by the Transfer Agent ("Redemption Order Date").

The manner by which redemptions are made is dictated by the terms of the Authorized Participant Agreement. Redemption orders are denominated and settled either in-kind ("In-Kind Redemption Order") or in cash ("Cash Redemption Order"). By placing a redemption order, an Authorized Participant will facilitate the deposit of Shares with the Transfer Agent.

In the case of an In-Kind Redemption Order, the redemption distribution from the Trust will consist of a movement of Crypto Assets to the Authorized Participant representing the amount of Crypto Assets held by the Trust, net of accrued expenses and other liabilities, evidenced by the Shares being redeemed on the Redemption Order Date. In the case of a Cash Redemption Order, the redemption distribution from the Trust will consist of a transfer to the Authorized Participant of an amount of cash that is in the same proportion to the total assets of the Trust, net of accrued expenses and other liabilities, on the Redemption Order Date, as the number of Shares to be redeemed under the purchase order is in proportion to the total number of Shares outstanding on the Redemption Order Date. With respect to either an In-Kind Redemption Order or Cash Redemption Order, the redemption distribution due from the Trust will be delivered once the Transfer Agent notifies the Cash Custodian, the Distributor and the Sponsor that the Authorized Participant has delivered the Shares represented by the Baskets to be redeemed to the Transfer Agent's DTC account.

By placing a redemption order, an Authorized Participant agrees to deliver the Baskets to be redeemed through DTC's book-entry system to the Trust by the end of the following Business Day or such time as may be agreed upon by the Authorized Participant and the Sponsor following the Redemption Order Date.

Redemption Orders must be made in whole Baskets.

The Structure and Operation of the Trust Protects Investors

The Sponsor believes the structure and operation of the Trust is designed to mitigate fraudulent and manipulative acts and practices and to protect investors and the public interest. The Sponsor accordingly believes the Commission should approve the listing and trading of Shares of the Trust.

The Commission has historically approved or disapproved exchange filings to list and trade series of Trust Issued Receipts, including spot Commodity-Based Trust Shares, on the basis of whether the listing exchange has in place a comprehensive surveillance-sharing agreement ("CSSA") with a regulated market of significant size related to the underlying commodity to be held.[14] The Commission has since approved the listing and trading of shares of spot bitcoin exchange-traded products ("Spot Bitcoin ETPs") and spot ether exchange-traded products ("Spot Ether ETPs"), in each case finding that there were sufficient "other means" of preventing fraud and manipulation sufficient to satisfy the requirements of Section 6(b)(5) of the Exchange Act.[15]

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[14]   See Securities Exchange Act Release No. 83723 (July 26, 2018), 83 FR 37579 (August 1, 2018) (SR-BatsBZX-2016-30) (Order Setting Aside Action by Delegated Authority and Disapproving a Proposed Rule Change, as Modified by Amendments No. 1 and 2, to List and Trade Shares of the Winklevoss Bitcoin Trust) ("Winklevoss Order"). In the Winklevoss Order, the Commission set forth both the importance and definition of a surveilled, regulated market of significant size, explaining that, for approved commodity-trust ETPs, "there has been in every case at least one significant, regulated market for trading futures on the underlying commodity—whether gold, silver, platinum, palladium, or copper—and the ETP listing exchange has entered into surveillance-sharing agreements with, or held Intermarket Surveillance Group membership in common with, that market." Winklevoss Order, 83 FR at 37594.

[15]   See Securities Exchange Act Release No. 34-99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (SR-NYSEARCA-2021-90; SR-NYSEARCA-2023-44; SR-NYSEARCA-2023-58; SR-NASDAQ-2023-016; SR-NASDAQ-2023-019; SR-CboeBZX-2023028; SR-CboeBZX-2023-038; SR-CboeBZX-2023-040; SR-CboeBZX-2023-042; SRCboeBZX-2023-044; SR-CboeBZX-2023-072) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, to List and Trade Bitcoin-Based Commodity-Based Trust Shares and Trust Units) (the "Spot Bitcoin ETP Approval Order"); Securities Exchange Act Release No. 100224 (May 23, 2024), 89 FR 46937 (May 30, 2024) (SR-NYSEARCA-2023-70; SR-NYSEARCA-2024-31; SR- NASDAQ-2023-045; SR-CboeBZX-2023-069; SR-CboeBZX-2023-070; SR-CboeBZX-2023-087; SR-CboeBZX-2023-095; SR-CboeBZX-2024-018) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, to List and Trade Shares of Ether-Based Exchange-Traded Products) (the "Spot Ether ETP Approval Order").

In each of the Spot Bitcoin ETP Approval Order and Spot Ether Approval Order, the Commission concluded, through a correlation analysis, that fraud or manipulation that impacts prices in spot bitcoin markets or spot ether markets would likely similarly impact CME bitcoin futures prices and CME ether futures prices, respectively.[16] The Commission further found that, because the CME's surveillance can assist in detecting those impacts on CME bitcoin futures prices and CME ether futures prices, a listing exchange's CSSA with the CME can be reasonably expected to assist in surveilling for fraudulent and manipulative acts and practices in the context of the Spot Bitcoin ETPs and Spot Ether ETPs.[17]

The Commission has also approved the listing and trading of shares of exchange-traded products that hold both spot bitcoin and spot ether in proportion to their market capitalizations (the "Spot Bitcoin/Ether ETPs").[18] In approving the Spot Bitcoin/Ether ETPs, the Commission similarly found, based on the continued consistent correlation between the spot bitcoin market and the CME bitcoin futures market and between the spot ether market and the CME ether futures market, that a listing exchange's CSSA with the CME can be reasonably expected to assist in surveilling for fraudulent and manipulative acts and practices in the context of the Spot Bitcoin/Ether ETPs.[19]

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[16]   See Spot Bitcoin ETP Approval Order, 89 FR at 3010; Spot Ether ETP Approval Order, 89 FR at 46938.

[17]   See Spot Bitcoin ETP Approval Order, 89 FR at 3010; Spot Ether ETP Approval Order, 89 FR at 46938-39.

[18]   See Securities Exchange Act Release No. 101998 (December 19, 2024), 89 FR 106707 (December 30, 2024) (SR-NASDAQ-2024-028; SR-CboeBZX-2024-091) (Order Granting Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Hashdex Nasdaq Crypto Index US ETF and Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Franklin Crypto Index ETF, a Series of the Franklin Crypto Trust) (the "Spot Bitcoin/Ether ETP Approval Order").

[19]   See Spot Bitcoin/Ether ETP Approval Order, 89 FR at 106708.

The Commission recently approved generic listing standards for the listing and trading of shares of Commodity-Based Trust Shares that meet certain requirements.[20] Among other requirements, the generic listing standards provide that a commodity or commodity underlying commodity-based assets held by a trust issuing Commodity-Based Trust Shares is an eligible holding of the trust if it meets at least one of the following criteria:

- On an initial and continuing basis, the commodity trades on a market that is an Intermarket Surveillance Group ("ISG") member, provided that the Exchange may obtain information about trading in such commodity from the ISG member;

- On an initial and continuing basis, the commodity underlies a futures contract that has been made available to trade on a designated contract market ("DCM") for at least six months, provided that the Exchange has a CSSA, whether directly or through common membership in ISG, with such DCM; or

- On an initial basis, an ETF designed to provide economic exposure of no less than 40% of its NAV to the commodity lists and trades on a national securities exchange.[21]

In approving the generic listing standards, the Commission found that these eligibility criteria for trust holdings would facilitate information sharing and help to ensure the availability of information necessary to aid in the detection and deterrence of potential fraud and manipulation with respect to a commodity or commodity underlying a commodity-based asset, and that the availability of such information can be reasonably expected to assist a listing

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[20]   See Securities Exchange Act Release No. 103995 (September 17, 2025), 90 FR 45414 (September 22, 2025) (SR-NASDAQ-2025-056; SR-CboeBZX-2025-104; SRNYSEARCA-2025-54) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, to Adopt Generic Listing Standards for Commodity-Based Trust Shares) ("Generic Listing Standards Approval Order").

[21]   See, e.g., NYSE Arca Rules 8.201-E(d)(1)(i)-(iii) (Generic).

exchange in its efforts to surveil for fraud and manipulation that may impact the Commodity-Based Trust Shares.[22]

The Commission also recently approved the listing and trading of shares of exchange-traded products under Rule 8.500-E,[23] including the listing and trading of shares of exchange-traded products where at least 85% of the net assets are invested in Approved Components.[24] The Commission found that the listing and trading of such shares was consistent with the Act, given that the structure of the trusts issuing those shares, the terms of their operation, and the trading of the shares were substantially similar to those of other proposals approved in prior Commission orders.[25]

The Sponsor believes that, for reasons similar to those set forth in the Spot Bitcoin ETP Approval Order, Spot Ether ETP Approval Order, Spot Bitcoin/Ether ETP Approval Order, Generic Listing Standards Approval Order, and Multi-Asset Crypto ETP Approval Orders, listing and trading Shares of the Trust would be consistent with the requirements of the Act.

<u>Availability of Information</u>

The Trust's website will include quantitative information on a per Share basis updated on

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[22]   See Generic Listing Standards Approval Order, 90 FR at 45418-19.

[23]   See Securities Exchange Act Release Nos. 103996 (September 17, 2025), 90 FR 45440 (September 22, 2025) (SR-NYSEARCA-2025-87) (Order Setting Aside Action by Delegated Authority and Approving a Proposed Rule Change, as Modified by Amendment No. 1, To Amend NYSE Arca Rule 8.500–E (Trust Units) and To List and Trade Shares of the Grayscale Digital Large Cap Fund LLC Under Amended NYSE Arca Rule 8.500–E (Trust Units)); 104212 (November 18, 2025), 90 FR 52724 (November 21, 2025) (SR-NYSEARCA-2025-98) (Order Setting Aside Action by Delegated Authority and Approving a Proposed Rule Change, as Modified by Amendment No. 1, To Amend NYSE Arca Rule 8.500–E (Trust Units) and To List and Trade Shares of the Bitwise 10 Crypto Index ETF Under Amended NYSE Arca Rule 8.500–E (Trust Units)) (collectively, the "Multi-Asset Crypto ETP Approval Orders").

[24]   See Securrities Exchange Act Release No. 103531 (July 22, 2025), 90 FR 35339 (July 25, 2025) (Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To Amend NYSE Arca Rule 8.500–E (Trust Units) and To List and Trade Shares of the Bitwise 10 Crypto Index ETF Under Amended NYSE Arca Rule 8.500–E (Trust Units)) (SR-NYSEARCA-2024-98) ("Bitwise 85% Approval Order").

[25]   See note 23, supra.

a daily basis, including, (i) the current NAV per Share daily and the prior Business Day's NAV per Share and the reported closing price of the Shares; (ii) the mid-point of the bid-ask price[26] as of the time the NAV per Share is calculated ("Bid-Ask Price") and a calculation of the premium or discount of such price against such NAV per Share; and (iii) data in chart format displaying the frequency distribution of discounts and premiums of the daily Bid-Ask Price against the NAV per Share, within appropriate ranges, for each of the four previous calendar quarters (or for as long as the Trust has been trading as an ETP if shorter). In addition, on each business day the Trust's website will provide pricing information for the Shares and disclose the Portfolio Crypto Assets, including: (i) the name of each Portfolio Crypto Asset; (ii) the quantity of each Portfolio Crypto Asset; and (iii) the weighting of each Portfolio Crypto Asset. The Trust's website will also include a form of the prospectus for the Trust that may be downloaded, and any other applicable quantitative information.

One or more major market data vendors will provide the ITV per Share updated every 15 seconds, as calculated by the Exchange or a third party financial data provider during the Exchange's Core Trading Session (9:30 a.m. to 4:00 p.m. E.T.).[27] The ITV will be calculated using the same methodology as the NAV per Share of the Trust, specifically by using the prior day's closing NAV per Share as a base and updating that value during the NYSE Arca Core Trading Session to reflect changes in the value of the Trusts' NAV during the trading day.

The ITV disseminated during the NYSE Arca Core Trading Session should not be viewed as an actual real-time update of the NAV per Share, which will be calculated only once at

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[26]   The Bid-Ask Price of the Trusts is determined using the highest bid and lowest offer on the Consolidated Tape as of the time of calculation of the closing day NAV.

[27]   The ITV on a per Share basis disseminated during the NYSE Arca Core Trading Session should not be viewed as a real-time update of the NAV, which is calculated once a day.

the end of each trading day. The ITV will be widely disseminated on a per Share basis every 15 seconds during the NYSE Arca Core Trading Session by one or more major market data vendors. In addition, the ITV will be available through on-line information services.

The NAV for the Trust will be calculated once a day and will be disseminated daily to all market participants at the same time. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the Consolidated Tape Association ("CTA").

Quotation and last sale information for the Crypto Assets will be widely disseminated through a variety of major market data vendors. In addition, real-time price (and volume) data for the Crypto Assets is available by subscription to major market data vendors. Information relating to trading, including price and volume information, will be available from major market data vendors and from the trading platforms on which the Crypto Assets are traded. The normal trading hours for crypto asset trading platforms are 24 hours per day, 365 days per year.

On each Business Day, the Sponsor will publish the Trust's NAV and the NAV per Share on the Trust's website as soon as practicable after its determination.

The Trust will provide website disclosure of their NAV daily. The website disclosure of the Trust's NAV will occur at the same time as the disclosure of the NAV to Authorized Participants so that all market participants are provided such information at the same time. Therefore, the same information will be provided on the trust's public website as well as in electronic files provided to Authorized Participants. Accordingly, each investor will have access to the current NAV of the Trust through the Trust's website, as well as from one or more major market data vendors.

Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other

electronic services.

Information regarding the previous day's closing price and trading volume information for the Shares will be published daily in the financial section of newspapers.

Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of the Trust.[28] Trading in Shares of the Trust will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12-E have been reached or exceeded. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.

The Exchange may halt trading during the day in which an interruption to the dissemination of the ITV occurs.[29] If the interruption to the dissemination of the ITV persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the Core Trading Session following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on the NYSE Arca Marketplace from 4:00 a.m. to 8:00 p.m. E.T. in accordance with NYSE Arca Rule 7.34-E (Early, Core, and Late Trading Sessions). The Exchange has

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[28]   See NYSE Arca Rule 7.12-E.

[29]   A limit up/limit down condition in the futures market would not be considered an interruption requiring the Trust to be halted.

appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided

in NYSE Arca Rule 7.6-E, the minimum price variation ("MPV") for quoting and entry of orders

in equity securities traded on the NYSE Arca Marketplace is $0.01, with the exception of

securities that are priced less than $1.00 for which the MPV for order entry is $0.0001.

The Shares will be required to conform to the initial and continued listing criteria under

NYSE Arca Rule 8.500-E. The trading of the Shares will be subject to NYSE Arca Rule 8.500-

E(f), which sets forth certain restrictions on Equity Trading Permit Holders ("ETP Holders")

acting as registered Market Makers in Trust Units to facilitate surveillance. The Exchange

represents that, for initial and continued listing, the Trust will be required to comply with Rule

10A-3 under the Act,[30] as provided by NYSE Arca Rule 5.3-E. The Exchange will also require a

minimum of 100,000 Shares of the Trust to be outstanding at the commencement of trading on

the Exchange.

Surveillance

The Exchange represents that trading in the Shares of the Trust will be subject to the

existing trading surveillances administered by the Exchange, as well as cross-market

surveillances administered by the Financial Industry Regulatory Authority ("FINRA") on behalf

of the Exchange, which are designed to detect potential violations of Exchange rules and

applicable federal securities laws with respect to the Shares of the Trust trading on the

Exchange.[31] The Exchange represents that these procedures are adequate to properly monitor

Exchange trading of the Shares in all trading sessions and to deter and detect violations of

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[30]   17 CFR 240.10A-3. See note 9, supra.

[31]   FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services
         agreement. The Exchange is responsible for FINRA's performance under this regulatory services
         agreement.

Exchange rules and federal securities laws with respect to the Shares of the Trust trading on the Exchange.

The existing surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity with respect to the Shares of the Trust. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate regarding trading in the Shares with other markets and other entities that are members of the ISG.[32] The Exchange or FINRA, on behalf of the Exchange, or both, may obtain information regarding trading in the Shares and Portfolio Crypto Asset derivatives from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Portfolio Crypto Asset derivatives from those markets and other entities that trade the Portfolio Crypto Asset derivatives with which the Exchange has in place a CSSA. The Exchange is also able to obtain information from ETP Holders acting as registered Market Makers regarding their trading (as principal or agent) in the Shares and any underlying Portfolio Crypto Assets, options on Portfolio Crypto Assets, or any other Portfolio Crypto Asset derivatives.

In addition, under NYSE Arca Rule 8.500-E(f), an ETP Holder acting as a registered Market Maker in the Shares is required to provide the Exchange with information relating to its accounts for trading in any underlying commodity, related futures or options on futures, or any other related derivatives. Commentary .04 of NYSE Arca Rule 11.3-E requires an ETP Holder acting as a registered Market Maker, and its affiliates, in the Shares to establish, maintain and

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[32] For a list of the current members of ISG, see www.isgportal.org.

enforce written policies and procedures reasonably designed to prevent the misuse of any

material nonpublic information with respect to such products, any components of the related

products, any physical asset or commodity underlying the product, applicable currencies,

underlying indexes, related futures or options on futures, and any related derivative instruments

(including the Shares). As a general matter, the Exchange has regulatory jurisdiction over its

ETP Holders and their associated persons, which include any person or entity controlling an ETP

Holder. To the extent the Exchange may be found to lack jurisdiction over a subsidiary or

affiliate of an ETP Holder that does business only in commodities or futures contracts and that

subsidiary or affiliate is a member of another regulatory organization, the Exchange could obtain

information regarding the activities of such subsidiary or affiliate through surveillance sharing

agreements with regulatory organizations to the extent the Exchange has such an agreement with

that regulatory organization.

In addition, the Exchange also has a general policy prohibiting the distribution of

material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the

index or portfolio or reference asset, (b) limitations on portfolio holdings or reference assets, or

(c) the applicability of Exchange listing rules specified in this rule filing shall constitute

continued listing requirements for listing the Shares on the Exchange.

The Sponsor has represented to the Exchange that it will advise the Exchange promptly if

the Trust ceases to comply with the continued listing requirements, and, pursuant to its

obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the

continued listing requirements. If the Exchange becomes aware that the Trust is not in

compliance with the applicable listing requirements, the Exchange will commence delisting

procedures under NYSE Arca Rule 5.5-E(m).

Information Bulletin

At or prior to the commencement of trading, the Exchange will inform its ETP Holders in

an "Information Bulletin" of the special characteristics and risks associated with trading the

Shares. Specifically, the Information Bulletin will discuss the following: (1) the procedures for

creations of Shares in Baskets; (2) NYSE Arca Rule 9.2-E(a), which imposes a duty of due

diligence on its ETP Holders to learn the essential facts relating to every customer prior to

trading the Shares; (3) information regarding how the value of the ITV and NAV are

disseminated; (4) the possibility that trading spreads and the resulting premium or discount on

the Shares may widen during the Opening and Late Trading Sessions, when an updated ITV will

not be calculated or publicly disseminated; (5) the requirement that ETP Holders deliver a

prospectus to investors purchasing newly issued Shares prior to or concurrently with the

confirmation of a transaction; and (6) trading information. The Exchange notes that investors

purchasing Shares directly from the Trusts will receive a prospectus.

In addition, the Information Bulletin will reference that the Trust is subject to various

fees and expenses as described in the annual report. The Information Bulletin will disclose that

information about the Shares of the Trust is publicly available on the Trust's website.

The Information Bulletin will also discuss any relief, if granted, by the Commission or

the staff from any rules under the Act.

2.   Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section

6(b)(5)[33] that an exchange have rules that are designed to prevent fraudulent and manipulative

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[33]   15 U.S.C. 78f(b)(5).

acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Exchange believes the proposed listing and trading of Shares of the Trust is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Rule 8.500-E. The Exchange further believes that the proposed allocation of Portfolio Crypto Assets to include at least 85% Approved Components, as described above, would remove impediments to and perfect the mechanism of a free and open market and a national market system because, at the start of each NYSE Arca Core Trading Session, at least 85% of the Portfolio Crypto Assets will consist of Approved Components for which the Commission has found that there are sufficient means of preventing fraud and manipulation. The Exchange has in place certain surveillance procedures that are adequate to properly monitor trading in the Shares on the Exchange in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws applicable to the Shares of the Trust trading on the Exchange. The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares with other markets that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares and Portfolio Crypto Asset derivatives from such markets. In addition, the Exchange may obtain information regarding trading in the Shares and Portfolio Crypto Asset derivatives from markets with which the Exchange has in place a CSSA. Also, pursuant to NYSE Arca Rule 8.500-E(f), the Exchange is able to obtain information from ETP Holders regarding their trading (as principal or agent) in the Shares and any underlying Portfolio

Crypto Assets, options on Portfolio Crypto Assets, or any Portfolio Crypto Asset derivatives.

The proposed rule change is also designed to prevent fraudulent and manipulative acts and practices because the Trust will hold on Portfolio Crypto Assets. The Exchange believes that, for reasons similar to those set forth in the Spot Bitcoin ETP Approval Order, Spot Ether ETP Approval Order, Spot Bitcoin/Ether ETP Approval Order, Generic Listing Standards Approval Order, Multi-Asset Crypto ETP Approval Orders, and Bitwise 85% Approval Order, listing and trading of the Trust would be consistent with the requirements of the Act because the Trust's holdings would primarily consist of Approved Components, such that the Exchange would be able to obtain information regarding trading in the Shares and futures from DCMs with which the Exchange has a CSSA or from other markets that are ISG members, which would assist the Exchange in detecting potential fraud or manipulation with respect to trading in the Shares. In particular, the CME bitcoin futures market and CME ether futures market are large, surveilled, and regulated markets that are closely connected with the spot markets for bitcoin and ether, respectively, through which the Exchange could obtain information to assist in detecting and deterring potential fraud or manipulation.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that there is a considerable amount of price and market information available on public websites and through professional and subscription services for the Portfolio Crypto Assets. Investors may obtain, on a 24-hour basis, Portfolio Crypto Asset pricing information based on the spot price for the Portfolio Crypto Assets from various financial information service providers. The closing price and settlement prices of the Portfolio Crypto Assets are readily available from publicly available websites. In addition, such prices are published in public sources, or on-line information services such as Bloomberg and

Reuters. The NAV per Share will be calculated daily and made available to all market

participants at the same time. The Trust will provide website disclosure of its NAV daily. One

or more major market data vendors will disseminate for the Trust on a daily basis information

with respect to the most recent NAV per Share and Shares outstanding. In addition, if the

Exchange becomes aware that the NAV per Share is not disseminated to all market participants

at the same time, it will halt trading in the Shares until such time as the NAV is available to all

market participants. Quotation and last-sale information regarding the Shares will be

disseminated through the facilities of the CTA. The ITV will be widely disseminated on a per

Share basis every 15 seconds during the NYSE Arca Core Trading Session (normally 9:30 a.m.

E.T. to 4:00 p.m. E.T.) by one or more major market data vendors. The Exchange represents that

the Exchange may halt trading during the day in which an interruption to the dissemination of the

ITV occurs. If the interruption to the dissemination of the ITV persists past the trading day in

which it occurred, the Exchange will halt trading no later than the beginning of the NYSE Arca

Core Trading Session on the trading day following the interruption.

The proposed rule change is designed to perfect the mechanism of a free and open market

and, in general, to protect investors and the public interest in that it will facilitate the listing and

trading of an additional type of exchange-traded product that will enhance competition among

market participants, to the benefit of investors and the marketplace. As noted above, the

Exchange has in place surveillance procedures relating to trading in the Shares and may obtain

information via ISG from other exchanges that are members of ISG or with which the Exchange

has entered into a CSSA. In addition, as noted above, investors will have ready access to

information regarding the Trust's NAV, ITV, and quotation and last sale information for the

Shares.

B.   Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that the proposed rule change will facilitate the listing and trading of an additional type of exchange-traded product that would enhance competition among market participants, to the benefit of investors and the marketplace.

C.   Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III.   Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A)   by order approve or disapprove the proposed rule change, or

(B)   institute proceedings to determine whether the proposed rule change should be disapproved.

IV.   Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form
  (https://www.sec.gov/rules/sro.shtml); or

- Send an email to rule-comments@sec.gov. Please include file number SR-NYSEARCA-2026-33 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-NYSEARCA-2026-33. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (https://www.sec.gov/rules/sro.shtml). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NYSEARCA-2026-33 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[34]

Sherry R. Haywood,

Assistant Secretary.

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[34]   17 CFR 200.30-3(a)(12).